



34423

Reg. No.

--	--	--	--	--	--	--	--

IV Semester B.Com[(General) & LSCM] Degree Examination,

August/September-2023

COMMERCE

Cost Accounting

(CBCS.Scheme - 2019-20)

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer ALL the questions in English only.

SECTION - A

Answer any FIVE questions from the following. Each carries 2 marks. (5×2=10)

1. a) Define overhead
- b) Name elements of cost.
- c) Give two examples of selling and distribution over head.
- d) What do you mean by overtime?
- e) Expand JIT and EOQ
- f) What is time keeping?
- g) What is Reconciliation statement.



SECTION - B

Answer any THREE of the following . Each carries 5 marks. (3×5=15)

2. Briefly explain the objectives of cost accounting.
3. Calculate EOQ from the following:

Consumption during the year 600 units

Ordering cost Rs. 12 per unit

Carrying cost 12%

Price per unit Rs. 20.

[P.T.O.]



(2)

34423

4. Compute Machine hour rate:

Cost of the Machine Rs. 25,000

Scrap Value Rs.5,000.

Effective working life of the machine 10,000 hours.

Repairs for effective working life Rs. 5,000 power consumption 5 units per hour at Rs. 3 per unit.

Total hours worked 1,000 hours during the year

5. The following information is available in respect of a particular materials.

Reorder quantity - 3,600 units

Maximum consumption - 900 units per week

Minimum consumption - 300 units per week

Normal consumption - 600 units per week

Reorder period - 3 to 5 weeks.

Calculate :

- i) Reorder level
- ii) Minimum level
- iii) Maximum level
- iv) Average stock level.

SECTION - C

Answer any **THREE** questions. Each carries 15 marks.

(3×15=45)

6. In respect of a factory , the following particulars have been extracted for the year 2021.

Cost of Materials Rs. 6,00,000

Wages Rs. 5,00,000

Factory over heads Rs. 3,00,000

Administration charges Rs. 3,36,000

Selling charges Rs. 2,24,000

Distribution charges Rs. 1,40,000

Profit Rs. 4,20,000

A work order has to be executed in 2022, and estimated expenses are : Materials Rs. 8,000; wages Rs. 5,000.

Assuming that in 2022, the factory over heads will go by 20%, distribution charges will come down by 10% and selling and administration charges will group each by 15%. At what price the production to be sold, so as to earn same rate of profit on selling price as in 2021?



(3)

34423

Factory overheads are based on wages and selling and distribution overheads on factory cost.

7. A company has 3 production departments and two service departments. Distribution summary of overheads is as follows:

Production Departments

A = Rs. 8,000; B = Rs. 7,000; C = Rs. 6,000

Service departments

P = Rs. 2,340; Q = Rs. 3,000

The Expenses of service departments are charged on a percentage basis which is as follows:

Service department		A	B	C	P	Q
Service department	P	20%	40%	30%	-	10%
	Q	40%	20%	20%	20%	-

Find out the total overheads of production department's charging service department cost to production on the basis of

- Repeated Distribution method
 - simultaneous Equation method.
8. From the following figures prepare reconciliation statement:
- Net profit as per financial books Rs. 63,780
 - Net profit as per costing books Rs. 66,760
 - Factory overhead under recovery in costing Rs. 5,700
 - Administration overhead recovered in excess Rs. 4,250
 - Depreciation charged in financial books Rs. 3,660
 - Depreciation recovered in costing Rs. 3,950
 - Interest received but not included in costing Rs. 450
 - Income tax provided in financial books Rs. 600
 - Bank interest credited in financial books Rs. 230
 - Stores adjustment credited in financial books Rs. 420
 - Depreciation on stock charged in Financial accounts Rs. 860
 - Dividend paid/appropriated in Financial accounts Rs. 1200
 - Loss due to theft provided in financial accounts Rs. 260.

9. From the following data prepare stores ledger account under FIFO method.

Stock on 1st March 2021, 15,000 units @ 20/unit.

Receipts:

March 2 16,000 units of Rs. 19/unit
March 4 13,000 units of Rs. 21/unit
March 8 20,000 units of Rs. 22.50/unit

[P.T.O.]



(4)

34423

March 24 40,000 units of Rs. 24/unit

March 25 30,000 units of Rs. 24/unit

Issues :

March 5 13,600 units

March 7 7,000 units

March 15 17,200 units

March 18 4,900 units

March 22 15,100 units

March 28 45,000 units

On 31-03-2021 stock checking revealed a shortage of 600 units.
