

VIVEKANANDHA COLLEGE FOR WOMEN
DEPARTMENT OF COMMERCE
B.COM (CA) DEGREE EXAMINATION
COST ACCOUNTING
Model Examination -OCT 2015

TIME: 3 Hrs

Max.marks:75

SECTION-A (10X2=20)

Answer ALL the questions.

1. Define Cost Accounting.
2. What you meant by Cost centre?
3. What is cost sheet?
4. What is Bin card?
5. What is stores ledger?
6. What do you understand by ABC analysis?
7. What are the different methods of pricing of material issues?
8. What is idle time?
9. What is labour turnover?
10. Define Financial Accounting.

SECTION-B (5X5=25)

Answer ALL the questions.

11. (a) Explain the advantages of Cost Accounting.

(or)

- (b) Discuss the objectives of Cost Accounting.

12. (a) From the following information calculate the cost of material consumed during the

Year.	Rs.
Direct materials consumed	40000
Cost of material sold	500
Materials returned to supplier	1000
Sale of direct materials scrap	500
Opening stock of materials	4000
Closing stock of materials	5000
Duty on materials purchased	3000
Carriage inwards	1000

(or)

(b) Prepare a Cost sheet.	Rs
Direct materials	200000
Factory expenses	120000
Prime cost	410000
Office expenses	90000
10% of output is in stock	
Sales	650000

13 a) From the following particulars calculate

(i) Maximum level (ii) minimum level (iii) re order level.

Normal usage	100 units per day
Minimum usage	60 units per day
Maximum usage	130 units per day
Economic order quantity	5000 units
Reorder period	25 to 30 days

(or)

(b) From the following particulars calculate

(i) Maximum level (ii) minimum level (iii) re order level.

(iv) danger level

Normal usage	120 kgs per day
Minimum usage	100 kgs per day
Maximum usage	150 kgs per day
Economic order quantity	1500 kgs
Reorder period	10 to 15days
Normal re order period	12 days
Time for emergency supplies	3 days

14 (a) cost of material is Rs.30 p.u.total annual needs are 800 units. Annual return on investments is 10%. Rent insurance and taxes per unit, per annum Re. 1. Cost of placing an order is Rs. 100. Calculate EOQ.

(Or)

(b)) From the following particulars calculate

(i) EOQ and (ii) no. of orders placed to be per year

Total consumption of material per year 10000 kgs. Buying cost per order Rs. 50: Unit cost of material Rs. 2 per kg. Carrying and storage cost 8% on average inventory.

15 (a) From the following particulars calculate labour cost per day of 8 hrs.

- (i) Basic wages Rs. 5 per day
- (ii) DA Rs.25 paise for every point over 100 cost of living index.
Present cost of living index 800 points.
- (iii) Leave pay 5% of (a) and (b)
- (iv) Employer's contribution to PF 8% of of (a) and (b)
- (v) Employer's contribution to SI 5% of a and b
- (vi) No. working days in a month 25 days of 8 hrs each.

(or)

(b) Calculate normal and overtime wages.

Days	hours worked
Mon	8
Tue	10
Wed	9
Thursday	11
Fri	11
Sat	5
Normal working hrs per day	8

Normal wage rate per hr Re. 1

Overtime rate up to 9 hrs in a day @ single rate and over 9 hrs in a day @ double the rate.

Or up to 8 hrs in a week at single rate and over 48 hrs at double rate whichever is more beneficial to the workman.

SECTION-C (3X10=30)

Answer ANY THREE questions.

16. Distinguish between Cost Accounting and Financial Accounting.

17. Discuss various elements of cost.

18. The following data relates to the manufacture of a product during the month of April:

Raw materials consumed	Rs. 80000
Direct wages	Rs.48000
Machine hours worked	Rs. 8000
Machine hour rate	Rs. 4
Office overhead	10% on works cost.
Selling overhead	Rs. 1.50 p.u
Units produced	4000
Units sold	3600 at Rs. 50 each.

Prepare cost sheet and show cost per unit.

19. Following is the Receipts and Issues of material A in a factory during the month of January 2000.

Date	details	kg	Rate (Rs.)
1	Opening balance	100	10
1	Issued	60	
2	received	120	11
3	Issued	50	(Stock verification showed A loss of 5 kgs)
4	Received back from orders	20	(previously issued at Rs. 9 per kg)
6	Issued	80	
7	Received	45	12
10	Issued	50	

At what prices will the material be issued under (a) LIFO (b) FIFO

20. Calculate the earnings of workers under straight piece rate and Merrick's multiple piece rate. Normal rate per hour Rs.1.80. Standard time per unit 1 minute. Output per day of 8 hours is as follows:

Worker A:	360 units
Worker B:	420 units
Worker C:	540 units.