

Reg. No.....

**FOURTH SEMESTER B.Com. DEGREE (U.G.—CCSS) EXAMINATION
MAY 2015**

(SDE)

Core Course

BC 4B 05—COST ACCOUNTING



**COMMERCE
FACTORY**

Time : Two Hours and Forty-Five Minutes

Maximum : 27 Weightage

Answer should be written in English.

Part B

I. Answer all *nine* questions. Each question carries a Weightage of 1.

- 1 What is cost centre ?
- 2 What is Bin Card ?
- 3 What is Notional profit ?
- 4 What is Budget Manual ?
- 5 What is Rowan plan ?
- 6 What is prime cost ?
- 7 What is a flexible budget ?
- 8 What is standard costing ?
- 9 What is meant by absorption of overhead ?

(9 × 1 = 9 weightage)

I. Answer any *five* questions. Each question carries a weightage of 2.

- 10 Explain ABC and VED analysis.
- 11 Briefly explain the different methods of time booking.
- 12 Explain different kinds of overhead absorption rates.
- 13 G Ltd. provided the following information from the costing records. The particulars about the production of 10 units of Product X are as follows

Material	qty.	Unit price (Rs.)	Value (Rs)
A	60	3	180
B	40	2	80
Total	100		260

Turn over

The actual costs of manufacturing 2000 units are as follows :—

Material	Qty. (kgm.)	Unit price (Rs.)	Value (Rs.)
A	2500	2.70	6750
B	1400	3.00	4200
Total	3900		10950

Calculate material cost-variance, material quantity variance, material price variance and material mix variance

14. Compute the Machine Hour Rate for machine X from the following data :

	Rs.
Cost of machine	80,000
Estimated working life	12,000 hours
Estimated scrap value	6,000
Running time per week	40 hours
Repairs and maintenance charges per week	Rs. 100
Standing charges allocated for the week	Rs. 500
Power used by machine	2 units per hour at Rs 2.50 per hour

15. Prepare stores ledger account on the basis of FIFO.

2011	May	1.	Purchased 600 units at Rs. 30 Per unit
		11.	Purchased 200 units at Rs. 35 per units
		16.	Issued 300 units.
		18.	Purchased 500 units at Rs. 40 per unit
		22.	Issued 300 units
		25.	Purchased 400 units at Rs. 45 per units
		28.	Issued 200 units.
		30.	Issued 500 units

The base stock to be maintained is 300 units

16 Calculate wage for workers X, Y and Z from the following by Rowan method. Standard time 8 hours; hourly rate Rs. 10.

Actual time X 12 Hours ;

Y 8 hours ; and Z 5 Hours.

III. Answer any *two* questions. Each question carries a Weightage of 4. (5 × 2 = 10 weightage)

17 Product X is obtained after it passes through 3 distinct processes.

Process	A	B	C
Material (Rs.)	5,500	3,220	3,000
Wages (Rs.)	4,500	5,000	5,500
Normal loss as a percentage of input	10 %	20 %	15 %
Value of scrap per kg. (Rs.)	nil	4	5
Output (kg.)	650	600	450

In the process A, 800 kgs. are introduced at Rs. 10 per kg. Factory overhead absorbed is 80 % on direct wages.

Prepare process accounts, abnormal loss account and abnormal gain account

18 Prepare a Cash Budget for 4 months, ending 30th April 2011.

Month	Sales (Rs.)	Purchase (Rs.)	Wages (Rs.)	Manuf. expenses (Rs.)	Admin expenses (Rs.)	Selling expenses (Rs.)
November 2010	50,000	13,000	4,000	1,500	1,700	1,000
December 2010	60,000	15,000	5,000	2,000	1,800	1,200
January 2011	55,000	14,000	4,500	1,600	1,750	1,100
February 2011	70,000	20,000	6,000	2,200	1,900	1,300
March 2011	75,000	22,000	7,000	2,400	2,050	1,400
April 2011	80,000	24,000	8,000	2,600	2,200	1,500

Turn over

Additional information :

- (a) Balance of cash in hand on 1st January 2011 is Rs. 40,000.
 - (b) Tax of Rs. 11,000 payable in the month of march.
 - (c) A dividend of Rs. 15,000 payable in the month of April.
 - (d) Furniture worth Rs. 8,000 purchased in the month of February.
 - (e) A machinery worth Rs. 80,000 purchased on October 2010 and the payment is to be done on instalment basis at Rs. 6,000 per month.
 - (f) The creditors are allowing a credit period of 2 months.
 - (g) Wages are paid on the 1st of next month.
 - (h) Lag in the payment of manufacturing and selling expenses is one month
 - (i) The customers are allowed a credit period of 2 months.
 - (j) Lag in the payment of administration expenses is $\frac{1}{2}$ month.
19. (a) Distinguish between financial accounting and cost accounting.
- (b) What is overhead ? Explain the types of overhead on the basis of elements of cost.

(2 × 4 = 8 weightage)