C. ABDUL HAKEEM COLLEGE (AUTONOMOUS),

MELVISHARAM - 632 509.

SEMESTER EXAMINATIONS, NOVEMBER - 2018

B.COM., COMMERCE   **SEMESTER V**

U15MCM501 / U14MCM501– COST ACCOUNTING - I

Time: Three Hours   Maximum: 75 Marks

SECTION - A (10 X 2 = 20 Marks)

Answer **ALL** Questions.

1. What is Cost Accounting?
2. What is Cost Centre?
3. What is EOQ?
4. What is ABC Analysis?
5. What is FIFO?
6. What is Simple Average Method?
7. Explain any two causes of labour turnover?
8. What is Merrick's multiple system?
9. What is over head?
10. Mention any two methods of secondary apportionment of overheads.

SECTION - B (5 X 5 = 25 Marks)

Answer **ALL** Questions.

11. a) What are the scope of Cost Accounting?

(Or)

b) Prepare a cost sheet from the following.

Particulars	Rs
Direct materials	50,000
Direct wages	15,000
Factory expenses	5,000
Office expenses	1,000
Selling expenses	500

12. a) From the following information calculate Average stock levels.

Normal consumption per day	500 kgs
Minimum consumption per day	200 kgs
Maximum consumption per day	800 kgs
Lead time	10 to 16 days
Reorder quantity	3,000 kgs

(Or)

b) Calculate the Economic Ordering Quantity from the following information.

Annual requirements	1,600 units
Cost of Material per unit	Rs 40
Cost of placing and receiving one order	Rs 50
Annual carrying cost of inventory. 10% of inventory value.	

13. a) From the following particulars prepare the stores ledger account by adopting FIFO method.

Date	Particulars	Rate per unit
01.03.2015	Purchased 500 units	2.00
02.03.2015	Purchased 600 units	3.00
05.03.2015	Issued 400 units	
08.03.2015	Issued 200 units	
10.03.2015	Purchased 600 units	5.00
12.03.2015	Issued 400 units	

(Or)

b) From the following particulars, prepare the stores ledger account under LIFO method.

Date	Particulars	Rate per unit
01.12.2015	Stock in hand 500 units	20.00
02.12.2015	Issued 200 units	
03.12.2015	Purchased 150 units	22.00
04.12.2015	Issued 100 units	
05.12.2015	Purchased 200 units	25.00

14. a) Calculate the Earning of a worker under Halsey plan from the following data:

Time allowed   40 hour

Time taken   30 hours

Rate   Rs 3 per hour

(Or)

b) Using Taylor's differential piece rate system, calculate the earnings of worker X and Y.

Standard time   20 minutes per unit

Normal wage rate   Rs 6 per hour

Worker X and Y produced 30 and 20 units respectively in a day.

15. a) Compute the machine hour rate from the following:

a. Cost of machine Rs 19,200

b. Estimated scrap value Rs 1,200

c. Repair charges per month Rs 150

d. Standing charges allocation to machine per month Rs 50.

e. Effective working life of machine 10,000 hours

f. Running time per month 166 hours

g. Power used by machine - 5 units per hour at 19 paise per unit.

(Or)

b) What are the bases for the following service department costs?

a. Rent   b. Depriceation   c. Stores   d. Canteen   e. Repairs

SECTION - C (3 X10 = 30 Marks)

Answer **ANY THREE** Questions.

16. Explain the objectives of Cost Accounting.

17. Two components A and B are used as follows:

Re-order quantity: A - 1,200 units

     B - 1,000 units

Reorder period   A - 2 to 4 weeks

     B - 3 to 6 weeks

Normal usage   - 300 units per week each

Minimum usage   - 150 units per week each

Maximum usage   -450 units per week each

You are required to calculate the following for each of the components.

a. Reordering level   b. Maximem stock level

c. Minimum stock level   d. Average stock level.

18. The following particulars have been extracted in respect of material X. Prepare stores ledger account showing the receipts and issues, pricing the material issued on the basis of 'Simple Average Method'.

Receipts:

03.10.2015 Purchased 500 units @ Rs 4.00 per unit

13.10.2015 Purchased 900 units @ Rs 4.30 per unit

23.10.2015 Purchased 600 units @ Rs 3.80 per unit.

Issues:

05.10.2015   Issued 400 units

15.10.2015   Issued 600 units

25.10.2015   Issued 600 units

19. From the following information calculate the earnings of wanceis X, Y and Z under Taylor differential piece rate system.

Standard time allowed   10 units per hour

Normal wage rate   Rs 10 per hour

Differential rates to be applied:

90% of piece rate when below standard

125% of piece rate when at or above standard

The production on a day of 8 hours:

X - 75 units;   Y - 85 units;   Z - 120 units.

20. X limited has four departments, A,B,C are production departments and D is a service department. The actual cost for a period are as follows.

Production	Rs
Rent	4,000
Repairs	2,400
Depreciation	1,350
Lighting	300
Insurance of Stock	1,500
Supervision	4,500
Power	2,700

The following date are also available in respect of the four departments.

Particulars	Dept A	Dept B	Dept C	Dept D
Area (Square feet)	300	220	180	100
Number of workers	36	24	18	12
Value of plant(Rs)	24,000	18,000	12,000	6,000
Value of stock(Rs)	15,000	9,000	6,000	-----

Apportion the costs to the various departments on the most equitable method.

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