E 2100 (Pages : 4) Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2015

Fifth Semester

Core Course 13—COST ACCOUNTING

(Common for Model I, Model II and UGC Sponsored B.Com. Degree Programmes)

[Prior to 2013 Admissions]

Time : Three Hours Maximum Weight : 25

Answers may be written **either** *in English* **or** *in Malayalam.*

Section A

Answer **all** *questions.*
Each bunch of four questions carries a weight of 1.

I. Choose the correct answer from the choices given :

1 A location, person or item of equipment for which cost may be ascertained is called :

(a) Cost unit. (b) Cost centre.

(c) Profit centre. (d) Responsibility centre.

2 A B C Analysis is related to :

(a) Stock control. (b) Labour control.

(c) Overhead control. (d) Overall control.

3 If 400 units @ Rs. 6,300 units @ 7 and 500 units @ 8 are in stock, in simple average method, the average price is :

(a) 7. (b) 7.10.

(c) 8. (d) None of these.

4 Machine hour rate is a method of :

(a) Calculating cost of machine.

(b) Method of ascertainment of over head.

(c) Method of absorption of overhead.

(d) None of these.

II. Fill in the blanks :

5 Cost incurred in the past and has no effect on future decision-making is called ——— cost.

6 LIFO means ———.

Turn over

7 Time for which employer pays but derives no benefit from the worker is called ———.

8 Depreciation on Machine is apportioned on the basis of ——— of machine.

III. State whether the following statements are True *or* False :

9 JIT is a method of inventory management.

10 In VED Analysis V stands for Vital.

11 In perpetual inventory system, stock valuation is done at the end of each year.

12 Allocation and apportionment of overhead are the same.

IV. Match the following :—

13 Labour turnover	(a) Incentive plan of wage payment.
14 Overtime wages	(b) Actual overhead more than absorbed overhead.
15 Halsey plan	(c) Reconciliation.
16 Under absorption	(d) Continuous stock taking.
	(e) Workers leaving organisations.
	(f) Double wages.

(4 × 1 = 4)

Section B

Answer any **five** *questions.*
Each question carries a weight of 1.

17 Define Cost.

18 What is opportunity cost ?

19 Define cost control.

20 List any *two* objectives of material control.

21 What is Rowan Plan ?

22 What do you mean by weighted average method of stock valuation.

23 Define direct labour.

24 What is spoilage ?

(5 × 1 = 5)

Section C

Answer any **four** *questions.*
Each question carries a weight of 2.

25 List the objectives of cost accounting.

26 Explain the purchase procedure.

27 Describe the methods of time keeping.

28 Give the advantages of time-rate of wage payment.

29 From the following information, calculate EOQ :—

Annual consumption of material 4,000 kg.

Cost of buying per order Rs. 5.

Cost per unit Rs. 2 per kg.

Storage and carrying cost -8 % of average inventory.

30 From the following informations, calculate wages payable to the workers A and B under Taylor's Differential piece Rate system standard production 80 units per hour simple time Rate. Rs.160 per hour. Differential piece rate to be applied :—

75 % of piece rate when below standard 125 % of piece rate when at or above standard the workers have produced in a day of 8 hours per day as follows :

A – 540 units

B – 700 units.

(4 × 2 = 8)

Section D

Answer any **two** *questions.*
Each question carries a weight of 4.
Answer should not exceed **four pages.**

31 The modern manufacturing company submits the following information on 31st December 2012 :

Sales for the year	...	2,75,000
Stock at the beginning :		
Finished good	...	7,000
Work-in-progress	...	4,000
Purchase of raw-materials	...	1,10,000
Materials stock at the beginning	...	3,000
Materials stock at the end	...	4,000
Direct labour	...	65,000

Factory over head-60 % of direct labour cost.

Stock at the end of the year :

Work in progress	...	6,000
Finished goods	...	8,000

Selling expenses 10 % of sales

Administrative expenses 5 % of sales.

Prepare Cost Sheet.

Turn over

32 Compute the machine hour rate from the following data :

(1) Total machine cost — 2,30,000

(2) Life—10 years.

(3) Depreciation on straight line.

(4) Departmental overheads (annual) :

Rent	...	50,000
Heat and Light	...	20,000
Supervision	...	1,30,000

(5) Departmental area—70,000 square feet ;

Machine area—2,500 square feet .

(6) Annual cost of reserve equipment for the machines—Rs. 1,500.

(7) Hours run on production—1,800 hours

(8) Hours for setting and adjusting—200 hours.

(9) Power cost—Re 0.50 per hour of running time.

(10) Labour :—

(a) When setting and adjusting—Full time attention.

(b) When machine is producing—one man can look after three machines.

(11) Labour rate—Rs. 6 per hour.

33 A manufacturer supplies the following information regarding materials :—

1.1.2012	Opening stock	1000 units @ Rs. 50 each.
3.1.2012	Purchased	900 units @ Rs. 60 each.
7.1.2012	Issued	1200 units.
11.1.2012	Purchased	800 units @ 62 each.
13.1.2012	Purchased	300 units @ 64 each.
16.1.2012	Issued	400 units.
17.1.2012	Issued	600 units.
19.1.2012	Purchased	200 units @ 65 each.
25.1.2012	Issued	600 units.

Prepare Stores Ledger Account under FIFO method.

(2 × 4 = 8)