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Name.....

Reg. No.....

**FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
APRIL 2024**

B.Com./B.B.A./B.H.A./B.T.H.M.

BCM 4B 05—COST ACCOUNTING

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

*Answers should be written in English only.***Part A***Answer all the questions.**(2 marks each).**(Max. 25 Marks)*

1. Define costing.
2. What is absorption costing ?
3. What is shut down cost ?
4. What is cost unit ?
5. What is bin card ?
6. What is maximum level ?
7. What is ABC Analysis ?
8. What is time keeping ?
9. What is machine hour rate ?
10. What is overtime ?
11. What is retention money ?
12. What is cost sheet ?
13. Define Budget.

**Turn over**

14. What is standard costing ?  
15. What is material cost variance ?

(15 × 2 = 30 Maximum ceiling 25 Marks)

**Part B**

*Answer all the questions.*

*(5 marks each)*

*(Max. 35 Marks).*

16. Distinguish between Job costing and Process costing.  
17. Discuss about Absorption, Over Absorption and Under Absorption of overheads.  
18. Distinguish between financial accounting and cost accounting.  
19. What are the preliminaries to the establishment of standard costs ?  
20. From the following information, prepare a Cost sheet for manufacturing a mixer grinder.

Direct materials consumed	1000
Direct wages paid	2000
Factory expenses	60 % on wages
Office expenses	20 % on factory cost

The tender price of mixer grinder should include a profit of 20 % on selling price.

21. From the following data, calculate : (a) Re-order Level ; (b) Maximum Level ; and (c) Minimum Level.

Re-order Quantity	1500 Units
Re-order period	4 to 6weeks
Maximum Consumption	400 Units per week
Normal Consumption	300 Units per week
Minimum Consumption	250 Units per week.

22. The following is an extract of the record of receipts and issues of a chemical during the month of March 2021.

2022 March 1	Opening Balance 300 Units @ Rs. 20 per Unit
2022 March 3	Issued 150 Units
2022 March 4	Issued 100 Units
2022 March 10	Received from supplier 200 units @ Rs. 19 per unit
2022 March 16	Issued 65 units
2022 March 20	Received from supplier 240 units @ Rs. 22 per unit
2022 March 24	Returned to supplier 20 units out of purchase of 20th March
2022 March 25	Purchased 100 units @ Rs. 24 per unit
2022 March 26	Issued 180 Units
2022 March 28	Received back from Manufacturing Dept, to stores, 15 Units

Stock verification on 18th March revealed a shortage of 10 units and on 31<sup>st</sup> March showed an excess quantity of 5 units. Prepare the stores ledger under FIFO method.

23. Calculate earnings of workers under Halsey Plan

Standard Time allowed	10 Hours
Actual time taken - Worker A	12 Hours
Worker B	10 Hours
Worker C	7 Hours

Hourly rate of wages is Re. 0.50.

(8 × 5 = 40 Maximum ceiling 35 Marks)

Turn over

**Part C**

Answer any **two** of the following.  
10 marks each.

- 24 The National Co. Ltd. is having four departments. A, B and C are producing departments and D is a service department. The actual costs for a period are as follows :

Rent	...	10,000
Repairs	...	6,000
Depreciation	...	4,500
Light	...	1,000
Supervision	...	15,000
Insurance of stock	...	5,000
Employer's contribution to employees' insurance scheme	...	1,500
Power	...	9,000

	<i>Department A</i>	<i>Department B</i>	<i>Department C</i>	<i>Department D</i>
Area (Sq. metres)	1,500	1,100	900	500
No. of workers	200	150	100	50
Total Wages	Rs. 60,000	Rs. 40,000	Rs. 30,000	Rs. 20,000
Value of plant	Rs. 2,40,000	Rs. 1,80,000	Rs. 1,20,000	Rs. 60,000
Value of Stock	Rs. 1,50,000	Rs. 90,000	Rs. 60,000	—

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

- 25 The output from Process X totalled 2,500 units. It was considered that 200 units were an abnormal loss. Normal loss allowed was 10 %. Additional information obtained was as under :
- Materials at Rs. 10 per unit, labour Rs. 8,000 overhead Rs. 6,700, wastage realised Rs. 5 per unit. You are required to prepare process account and Abnormal loss account.
26. Define Contract costing. What are its features ? How profit or loss is ascertained on contracts ?
27. Define Costing. Discuss the various methods of costing.

(2 × 10 = 20 marks)

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APRIL 2023**

B.Com.

BCM 4B 05—COST ACCOUNTING

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

**Part A***Answer all the questions.**2 marks each.**Max. 25 Marks.*

1. Define cost Accountancy.
2. What is Activity Based Costing ?
3. What are direct costs ?
4. What is standard costing ?
5. What is composite cost unit ?
6. What is danger level ?
7. What is EOQ ?
8. What is FSN analysis ?
9. Who are casual workers ?
10. What is apportionment of overhead ?
11. Define contract costing.
12. What is Normal loss ?
13. What is Budgeting ?
14. What is Variance ?
15. What is Labour cost variance ?

(15 × 2 = 30 Maximum Ceiling - 25 Marks)

**Turn over**

**Part B**

*Answer all the questions.*

*5 marks each.*

*Max. 35 Marks.*

16. What do you mean by VED analysis ?
17. Write a note on ascertainment of profit on incomplete contract.
18. Briefly write about the characteristics of Process costing
19. What are the techniques of costing ?
20. A manufacturing company uses 12,000 units of materials per year. The cost of placing an order is ₹ 12 per order. Cost of material per unit is ₹ 1. Inventory carrying cost is 24 %. Find EOQ.
21. From the following particulars, prepare the Stores Ledger Account under Simple Average Price method :

Stock on	1-1-2022	400 units @ Rs. 10 per Unit
Purchased on	2-1-2022	100 units @ Rs. 11 per Unit
Issued on	4-1-2022	400 units
Purchased on	8-1-2022	600 units @ Rs. 12 per Unit
Issued on	10-1-2022	500 units
Purchased on	13-1-2022	500 units @ Rs. 13 per Unit
Issued on	15-1 -2022	600 units
Purchased on	17-1-2022	800 units @ Rs. 14 per Unit
Issued on	20-1-2022	500 units
Issued on	22-1-2022	200 units
Purchased on	25-1-2022	500 units @ Rs. 15 per Unit
Purchased on	28-1-2022	300 units @ Rs. 16 per Unit
Issued on	31-1-2022	400 units

22. Work out the machine hour rate for the following machine whose scrap value is nil :

Cost of the machine	...	90,000
Other charges, freight and installation	...	10,000
Working life	...	10 years
Working Hours	...	2000 hours per year
Repairs charges	...	50 % of depreciation

- a) Power - 10 units per hour, at 10 paise per unit.  
 b) Lubricating oil, at Rs. 21 per day of 8 hours.  
 c) Consumable stores at Rs. 10 per day of 8 hours.  
 d) Wages of machine operator at Rs. 4 per day of 8 hours.
23. From the following information calculate the earnings of Geetha and Seetha, on Taylor's differential piece rate system :

Standard Production	...	8 units per hour
Normal time rate	...	Re. 0.40 per hour

Differential to be applied ; 80 % of piece rate below standard. 120 % of piece rate at or above standard. In a day Geetha produces 54 units and Seetha produces 75 units.

(8 × 5 = 40 Maximum Ceiling - 35 Marks)

### Part C

*Answer any two of the following.*

*10 marks each.*

24. You are required to prepare Contract Account showing the profit on the contract on 30<sup>th</sup> April, 2022, from the following particulars :

Contract price	...	1,00,000
Materials sent to site	...	32,250
Labour engaged on site	...	27,400
Plant installed at site	...	5,650
Work certified	...	71,500
Cash received from contractee	...	65,000
Value of plant as on 30 <sup>th</sup> April, 2022	...	4,100

**Turn over**

Cost of work done, but not certified	...	1,700
Direct Expenditure	...	1,200
Cost of Establishment	...	1,625
Wages outstanding at 30 <sup>th</sup> April, 2022	...	900
Material in hand on 30 <sup>th</sup> April, 2022	...	700
Direct Expenses outstanding on 30 <sup>th</sup> April, 2022	...	100
Materials returned to store	...	200

25. From the following information and the assumption that the balance in hand on 1<sup>st</sup> January 2022 is Rs. 72,500, prepare a cash budget :

Month	Sales	Materials	Wages	Selling and Distribution Cost	Production Cost	Administration Cost
January	72,000	25,000	10,000	4,000	6,000	1,500
February	97,000	31,000	12,100	5,000	6,300	1,700
March	86,000	25,500	10,600	5,500	6,000	2,000
April	88,600	30,600	25,000	6,700	6,500	2,200
May	1,02,500	37,000	22,000	8,500	8,000	2,500
June	1,08,700	38,800	23,000	9,000	8,200	2,500

- Assume that 50 % are cash sales.
  - Assets are to be acquired in the month of February and April. Therefore, provision should be made for the payment of Rs. 8,000 and Rs. 25,000 for the same.
  - An application has been made to the bank for the grant of a loan of Rs. 30,000 and it is hoped that it will be received in the month of May.
  - It is anticipated that a dividend of Rs. 35,000 will be paid in June.
  - Debtors are allowed one month's credit.
  - Sales commission at 3 % on sales is to be paid.
  - Creditors (for goods or overheads) grant one month's credit.
26. Briefly explain the steps in the overhead accounting.
27. What is time keeping and time booking ? Discuss the various methods of time keeping and time booking.

(2 × 10 = 20 marks)



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**FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION, APRIL 2022**

B.Com.

BCM 4B 05—COST ACCOUNTING

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

**Section A***Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. Define Cost Accounting.
2. What is store requisition ?
3. What is a cost centre ?
4. What is idle time ?
5. What is semi-variable overhead ?
6. What is machine cost ?
7. What is escalation clause ?
8. What is master budget ?
9. What is attainable standard ?
10. What is retention money ?
11. What is notional profit ?
12. What is abnormal gain ?
13. What is Scrap ?
14. Describe EOQ.
15. What are fringe benefits ?

(10 × 3 = 30 marks)

**Turn over**

**Section B**

*Answer at least five questions.*

*Each question carries 6 marks.*

*All questions can be attended.*

*Overall Ceiling 30.*

16. Explain the treatment of profit on incomplete contract.
17. Describe the advantages and disadvantages of standard costing.
18. What are the steps in the purchases of materials ?
19. Describe different methods of absorption of overheads.
20. From the following information, calculate EOQ :
- |                              |   |             |
|------------------------------|---|-------------|
| Annual consumption of input  | : | 48000 units |
| Purchase price of input unit | : | Rs. 25      |
| Annual carrying cost         | : | 12 %        |
| Ordering cost per order      | : | Rs. 180     |
21. Standard output 100 units. Normal piece Rate Re. 1 per piece. X produced 60 units, Y produced 100 units and Z produced 110 units. Calculate earnings using Taylor's differential piece rate system of workers X, Y and Z.
22. The following information relates to the production department for a certain period in a factory :
- |                                     |
|-------------------------------------|
| Direct material consumed Rs. 75,000 |
| Direct Wages Rs. 50,000             |
| Production overheads Rs. 1,50,000   |
| Labour hours 30000 hours            |
| Machine hours 25000 hours           |
- Calculate absorption rate of production overhead based on direct material cost, direct wages, labour hours and machine hours.
23. A truck starts with a load of 10 tonnes of goods from station P. It unloads 4 tonnes at station Q and the rest of the goods at station R. It reaches back directly to station P after getting reloaded with 8 tonnes of goods at station R. The distance between P to Q, Q to R and then from R to P are 40 kms, 60 kms and 80 kms respectively. Calculate Absolute tonnes kilometers and Commercial tonnes kilometers.

(5 × 6 = 30 marks)

**Section C**

*Answer any two questions.  
Each question carries 10 marks.*

24. What is Costing ? What are the methods and techniques of costing ?
25. What are the factors to be considered before the installation of a costing system in an organisation ?
26. From the following information, prepare a Process Account, Abnormal Gain Account and Normal Loss Account :

Input of Raw Material	840 units @ Rs. 40 per unit
Direct Material	Rs. 5,924
Direct Wages	Rs. 8,000
Production Overheads	100% of Direct Wages
Actual out transferred to next Process	750 Units
Normal Loss	15 %
Value of Scrap per unit	Rs. 10 per unit

27. Mr. A has undertaken several contract works. He maintains a separate record for each contract. From the records for the year ending 31-12-98, prepare contract account for Contract No. 50 and find the amount transferred to profit and loss account :

Direct purchase of material	...	1,80,000
Material issued from stores	...	50,000
Wages	...	2,44,000
Direct expenses	...	24,000
Machinery purchased	...	1,60,000

Establishment charges 54,000. The contract price was Rs. 15,00,000. Cash received up to 31-12-2008 was Rs. 6,00,000 which is 80 % of work certified. Material at site Rs. 16,000. Depreciation for Machine Rs. 16,000.

(2 × 10 = 20 marks)



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**FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION, APRIL 2021**

B.Com.

BCM 4B 05—COST ACCOUNTING

Time : Two Hours and a Half

Maximum : 80 Marks

**Section A**

*Answer at least ten questions.*

*Each question carries 3 marks.*

*All questions can be attended.*

*Overall Ceiling 30.*

1. Describe Cost Sheet.
2. Distinguish Product cost and Period cost.
3. What is muster roll method ?
4. What is 'On Cost' ?
5. What is flexible budget ?
6. Explain EOQ.
7. What is work-in-progress mean in contract costing ?
8. What is bill of material ?
9. What is primary distribution of overheads ?
10. What is job description ?
11. What is Abnormal Gain ?
12. What is basic standard ?
13. What is angle of incidence ?
14. What is variance ?
15. What is machine-hour rate ?

(10 × 3 = 30 marks)

**Turn over**



**Section B**

*Answer at least five questions.*

*Each question carries 6 marks.*

*All questions can be attended.*

*Overall Ceiling 30.*

16. What are the objectives of material control ?
17. Describe various steps in standard costing.
18. Distinguish Job costing and Contract costing.
19. Discuss different types of budgets.
20. Calculate Economic Order Quantity from the following :
- Monthly demand of product X - 1500 units
- Requirement of components to produce 1 unit of product X : 5 units
- Ordering, receiving and handling cost : Rs. 10 per order
- Trucking costs : Rs. 5 per order
- Deterioration and obsolescence cost : Rs. 10 per unit per annum
- Interest rate 15% per annum
- Storage cost : Rs. 4,50,000 for 90000 units
- Purchase price of a component : Rs. 100.
21. Standard output per hour 5, Actual output in a 40 hours week is 220 units. Wage rate per hour is Rs. 10 per hour. Calculate the total earnings under :
- Straight time rate.
  - Straight piece rate.
  - Taylor's differential piece rate.
22. From the following information calculate Actual and Pre-determined overhead absorption rate :

Department	Budgeted Overhead	Actual Overhead	Budgeted Labour hours	Actual labour hours
A	50000	48000	5000	6000
B	25000	27000	10000	9000

23. From the following data, calculate Units of Abnormal Gain in each process :

	Process I	Process II	Process III
Input introduced	2000	-	-
Output transferred to Next process	1900	1600	1300
Normal Loss (% of Input)	10%	20%	25%

(5 × 6 = 30 marks)

### Section C

*Answer any two questions.*

*Each question carries 10 marks.*

24. Discuss in detail various techniques of costing.
25. What is labour cost control ? What are the techniques of labour cost control ?
26. Mr. Bharat undertook a contract No. 501 for Rs. 5,00,000 on 1st July 2019. On 31<sup>st</sup> March 2020, when the accounts were closed, the following information was available :

	Rs.		Rs.
Material issued to site	55,000	Wages paid	18,000
Direct Expenses paid	6,000	General overheads	25% of wages
Site office costs	10,000	Cost of sub-contract	15,000
Plant	2,00,000	Wages accrued at the end	2,000
Direct expenses paid at the end	1,000	Materials at site at the end	5,000
Cost of work uncertified	20,000		

Cash received Rs. 2,00,000 being 80% of work certified.

The plant was installed on the respective date of the contract and depreciation is to be provided at 10% p.a.

Prepare Contract account.

Turn over



27. X Ltd. Furnishes the following stores transactions for July 2020 :

Date	Transaction
1	Opening balance 200 Units value Rs. 2,000
4	Receipt from B & Co. 300 units @ Rs. 12 per unit
7	Issued to production 400 units
10	Receipt from M & Co. 400 units @ Rs. 14 per unit
13	Returned by department, issued on 7th July 20 units
16	Returned to supplier, purchased on 4th July 10 units
19	Issued to production 300 units
22	Receipt from N & Co. 200 units @ Rs. 16 per unit
25	Receipt, replacement of material returned on 16th July 10 units
28	Issued to production 300 units
30	Shortage in stock taking 20 units

Prepare the store ledger using FIFO method.

(2 × 10 = 20 marks)