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IV Semester B.Com. (General)LSM) Degree Examination,  
September/October - 2022

COMMERCE

Cost Accounting

(CBCS Scheme 2019-2020)

Paper : 4.5

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Write only in English.

**SECTION - A**

Answer any **Five** sub-questions from the following. Each sub-question carries 2 marks.

(5×2=10)

1.
  - a. Define the term cost.
  - b. What are indirect materials? Give examples.
  - c. What is overtime? Mention any two causes for it.
  - d. What is secondary distribution of overhead?
  - e. Name elements of cost.
  - f. What do you mean by labour turnover?
  - g. Give the meaning memorandum reconciliation?

**SECTION - B**

Answer any **Three** of the following. Each question carries Five marks.

(3×5=15)

2. Briefly explain the various techniques of inventory control.
3. Form the following information, prepare stores ledger account under simple average method.

Jan, 2015, 1<sup>st</sup>                      Received 800 units at Rs. 25 per unit.

Jan, 2015, 12<sup>th</sup>                      Received 400 units at Rs. 30 per unit.

[P.T.O.]





Jan, 2015, 15 <sup>th</sup>	Received 300 units at Rs. 20 per unit.
Jan, 2015, 19 <sup>th</sup>	Received 500 units at Rs. 26 per unit.
Jan, 2015, 22 <sup>nd</sup>	Received 200 units at Rs. 24 per unit.
Jan, 2015, 25 <sup>th</sup>	Received 350 units at Rs. 28 per unit.
Jan, 2015, 28 <sup>th</sup>	Issued 400 units at Rs. 30 per unit.
Jan, 2015, 30 <sup>th</sup>	Received 250 units at Rs. 25 per unit.
Jan, 2015, 31 <sup>st</sup>	Issued 300 units at Rs. 27 per unit.

4. Calculate

- Re - order level
- Re - order quantity and
- Maximum level.

Minimum stock level : 2,550 units

Average stock level : 4,500 units.

Consumption : Minimum 850 units per month

Maximum 1,200 units per month.

Delivery period : Minimum 2 months.

Maximum 4 months.

5. From the following particulars ascertain the labour cost per day 08 hours.

Basic pay Rs. 4,000 per month

Dearness allowance Rs. 400 per month.

Leave salary Rs. 325 per month

Employers contribution to RPF 10% of Basic pay.

Employers contribution to ESI 2.5% of Basic pay.

Pro rate amenities per worker per month Rs. 125.

No. of working hours in a month 200.





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## SECTION - C

Answer any **Three** questions. Each correct answer carries **15** marks.

(3×15=45)

6. The following are the overhead allocation of three production department and two service departments A, B, C and S<sub>1</sub>, S<sub>2</sub> respectively.

A - Rs. 18,000, B - Rs. 22,000, C - Rs. 28,000 and S<sub>1</sub> - Rs. 8,200, S<sub>2</sub> - Rs. 5,200.

Distribute the overheads of service department S<sub>1</sub> and S<sub>2</sub> to production department and service department as follows.

	A	B	C	S <sub>1</sub>	S <sub>2</sub>
S <sub>1</sub>	15%	25%	30%	-	15%
S <sub>2</sub>	35%	30%	20%	15%	-

Re - distribute overheads under repeated distribution method.

7. A workmen's wage for a guaranteed 40 hours week is Rs. 25 per hour. Estimated time to produce one article is 20 minutes and under incentive scheme the time allowed is increased by 70% during a week the workmen produced 100 articles. Calculate his time wage under.

- Time rate
- Piece rate
- Halsey plan
- Rowan plan and calculate the earnings of the workers under Taylor's plan.

Time rate Rs. 3 per hour, standard output per hour 6 units.

Differentiate rates are :

- Low price rate at 80% of normal price rate.
- High price rate at 120% of normal price rate.

In a day of 08 hours. 'A' produces 39 units, 'B' 45 units, 'C' 48 units and 'D' 50 units.

8. Prepare Reconcilliation statement from the following data :

Net loss as per cost accounts	Rs. 2,88,000
Works overhead under recovered in cost accounts	Rs. 5,200
Administration overcharged in cost accounts	Rs. 2,200
Interest on investments	Rs. 14,200
Income tax paid	Rs. 68,000
Goodwill written off in financial Books	Rs. 9,600

[P.T.O.]





Depreciation of stock charged in financial Book	Rs. 11,500
Selling overheads over recorded in cost accounts	Rs. 12,000
Value of closing stock in cost accounts	Rs. 16,800
Value of closing stock in financial accounts	Rs. 14,300
Rent charged in cost accounts	Rs. 36,000

9. Following is the history of receipts and issues of raw material in Raj Ltd during the december 2020.

2020

1 <sup>st</sup> Sep.	Opening balance 500 quintals of Rs. 25 per quintal.
3 <sup>rd</sup> sep.	Issued 70 quintals.
4 <sup>th</sup> sep.	Issued 100 quintals.
6 <sup>th</sup> sep.	Issued 80 quintals.
13 <sup>th</sup> sep.	Purchased from supplier 200 quintals at Rs. 24.50 per quintal.
14 <sup>th</sup> sep.	Return of surplus from a work order 15 quintals at Rs. 24 per quintal.
16 <sup>th</sup> sep.	Issued 180 quintals.
22 <sup>nd</sup> sep.	Received from suppliers 240 quintals at Rs. 24.40 per quintal.
24 <sup>th</sup> sep.	Issued 304 quintal.
25 <sup>th</sup> sep.	Received from suppliers 320 quintal at Rs. 24.30 per quintal.
26 <sup>th</sup> sep.	Issued 112 quintals.
27 <sup>th</sup> sep	Return of surplus from a work order 12 quintals at Rs. 24.50 per quintal.
28 <sup>th</sup> sep.	Received from supplier 100 quintals at Rs. 25 per quintal.

**Note :** The stock verifier noticed that on 15<sup>th</sup> sep. there was a shortage of 05 quintals and on 27<sup>th</sup> sep. another shortage of 08 quintals.

Prepare stores ledger under LIFO method

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