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**CREDIT BASED THIRD SEMESTER  
B.Com.DEGREE EXAMINATION  
OCTOBER 2012  
COST ACCOUNTING - I**

Time: 3 Hrs

Max. Marks: 80

## SECTION - A

Answer any THREE questions:

3X20=60

1. Following are the particulars for the production of 2000 sewing machines for the year 2010:

Cost of materials	1,60,000
Wages 2,40,000	
Manufacturing expenses	1,00,000
Salaries (office)	1,20,000
Rent, Rates and insurance	20,000
Selling expenses	60,000
General expenses	40,000
Sales	8,00,000

The company plans to manufacture 5000 Sewing machines during 2011. You are required to submit a statement showing the price at which machines would be sold so as to earn a profit of 10% on selling price. The following additional information is supplied.

- a) Price of materials is expected to rise by 20%
  - b) Wage rates are expected to show an increase of 5%
  - c) Manufacturing expenses will rise in proportion to the combined cost of materials and wages.
  - d) Selling expenses per unit will remain the same.
  - e) Other expenses will remain unaffected by the rise in output.
2. Following receipts and issues of material 'M' were made during the month of March 2010.

Stock of 'M' material on 1.3.2010 was 400 units at `50 per unit

March 2	Purchased 100 units at `55 each
March 6	Issued 400 units
March 10	Received 600 units at `60 each
March 13	Issued 500 units
March 15	Received 500 units at `65 each
March 18	Issued 600 units
March 21	Purchase 800 units at `70 each
March 22	Returned to Vendors 50 units
March 24	Issued 500 units
March 26	Issued 200 units
March 27	Transferred 50 units from production dept X to production dept y
March 28	Received 500 units at `75 each
March 29	Returned to stores 50 units
March 30	Issued 400 units
March 31	Purchased 300 units at `80 each

Stock verification note reveals a shortage of 20 units on

16<sup>th</sup> March and excess of 10 units on 25<sup>th</sup> March 2010.  
Prepare a Stores Ledger Card calculating the issue price under LIFO method.

3. A company has three Production departments P1, P2 and P3 and two service departments S1 and S2. The following data are extracted from the records of the company for a particular given period:

A) (i) Rent and rates	25,000
(ii) General lighting	3,000
(iii) Indirect wages	7,500
(iv) Power	7,500
(v) Depreciation on Machinery	50,000
(vi) Sandrine	50,000

B) Additional data:

	Total	Departments				
		P1	P2	P3	S1	S2
Direct wages (')	50000	15000	10000	15000	7500	2500
HP of Machine	150	60	30	50	10	---
Cost of machine	1250000	300000	400000	500000	25000	25000
Hours worked	---	6226	4028	4066	---	---
Floor space (Sq.Mtr)	10000	2000	2500	3000	2000	500
Light points (Ns.)	60	10	15	20	10	5

C) Service Department expenses are allocated as follows:

	P1	P2	P3	S1	S2
S1	20%	30%	40%	---	10%
S2	40%	20%	30%	10%	---

Compute the overhead rate of production departments using the repeated distribution method.

4. What is Cost Accounting? How is it different from financial accounting?

### SECTION - B

**Answer any THREE questions:**

**3X5=15**

5. The following are the particulars given to you:

Standard time: 10 hours

Time rate : 3.00 per hour

Calculate the remuneration under Halsey Plan if time taken is 9 hours, 8 hours, 6 hours, 4 hours and 3 hours.

6. From the following particulars prepare a material cost statement giving the cost per unit of output and the quantity of wastage.

Input 2,000 lbs at `4.50 per lb. Off cuts and trimmings amounts to 500 lbs and were sold for `800. Some units were spoiled, of which 75 lbs were disposed off for `100 and the remaining were rectified at an additional expenditure of `300. 7,000 units were produced each weighing 0.20lb.

7. Calculate the Minimum Stock Level, Maximum Stock Level, Re-ordering Level.

Danger Level and Average Stock Level from the following:

Normal consumption	100 units per day
Maximum consumption	140 units per day
Minimum consumption	80 units per day
Reorder quantity	1200 units
Maximum re-order period	15 days
Minimum re-order period	10 days
Normal re-orders period	12 days
Emergency delivery time	4 days

8. What is meant by time-keeping? Briefly explain the different methods of time-keeping.

**SECTION – C**

**Answer all the questions:**

**5X1=5**

9. How do you classify the cost by behaviour?
10. Define cost units. What are its types.
11. What is Labour Turn Over? Write any two measures to reduce Labour Turn Over.
12. Find out the EOQ from the following information:-
- Annual consumption: 3000 units
- Cost of placing and receiving one order: `30
- Price per units `5
- Storage and carrying cost: 1% of inventory value
13. State two difference between a Bin card and a store ledger.

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COM 302.1

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CREDIT BASED THIRD SEMESTER B.Com. DEGREE EXAMINATION  
OCTOBER 2013  
COMMERCE  
COST ACCOUNTING – I

Time: 3 Hrs

Max. Marks: 80

SECTION – A

**Answer any Three questions:**

1. In respect of a factory the following figures have been obtained for the year 2012.

Cost of Materials	6,00,000
Wages	5,00,000
Factory overhead	3,00,000
Office overhead	3,36,000
Selling charges	2,24,000
Distribution charges	1,40,000
Profit	4,20,000

A work order has to be executed in 2013 and the following expenses are estimated materials `8,000, labour `5,000. Assume that in 2013 the factory overhead will rise by 20%, office overhead and selling charges each will rise by 12 ½% and distribution charges will go down by 10%. What prices would be quoted for the product so as to earn the same rate of Profit on cost. Factory overhead based on wages and office overhead, selling and distribution charges on factory cost.

2. From the following particulars pertaining to material 'Rx' prepare a stores ledger card using LIFO method of pricing the material.  
February 1<sup>st</sup> 2010 opening stock 600 units at `32 per unit. Purchases during February 2010.

Date	Quantity	Rate(₹)	GRN No.
Feb 10	400	25	446
Feb 20	380	30	447
Feb 25	400	35	449
Feb 27	325	46	451

## Issues during February 2010

Date	Quantity	MR No.	Dept
Feb 6	400	617	A
Feb 16	230	620	B
Feb 26	340	716	T
Feb 28	240	728	X

Additional information:

February 14 received back from department A 50 units

February 15 shortage of 30 units as per stock verification

February 24 returned back to supplier 25 units GRNo 447.

3. The Bharath Co. Ltd., has three production departments and two service departments. The following information is available regarding various expenses.

Power	2,400
Rent	4,200
Canteen	3,000
Indirect wages	600
Sundries	1,200
Repair and maintenance	2,400
Lighting	1,200
Insurance on assets	1,000

Depreciation 10% of capital value

You have the following data

	Production Dept.			Service Dept.	
	P <sub>1</sub>	P <sub>2</sub>	P <sub>3</sub>	S <sub>1</sub>	S <sub>2</sub>
Area (sq. meters)	400	400	300	200	100
k.w. hours	2,000	2,200	800	750	250
No. of Workers	90	120	30	40	20
Capital Value of assets	50,000	60,000	40,000	3,000	20,000
Light points	20	15	10	10	5
Direct wages	1,000	1,500	2,000	1,000	500

The services of S<sub>1</sub> and S<sub>2</sub> departments are used by other departments in the following proportion.

	P <sub>1</sub>	P <sub>2</sub>	P <sub>3</sub>	S <sub>1</sub>	S <sub>2</sub>
S <sub>1</sub>	25%	30%	25%	---	20%
S <sub>2</sub>	40%	20%	30%	10%	---

Calculate the total overheads of production departments after re-apportioning service department overheads under Simultaneous Equation Method.

4. What is cost accounting? What are its objectives? In what respect does cost accounting differ from financial accounting?

### SECTION – B

**Answer any Three questions:**

**3X5=15**

5. A worker takes 6 hours to complete a job whose standard time is 9 hours. His day rate is `75 per hour. The material cost of the product is `40 and the overheads at 150% of the total wages. Calculate the factory cost of the product under.

- 1) Rowans Method  
Plan
- 2) Halsey

6. Calculate the Recorder Level, Minimum level, Maximum level, Average Stock level and Danger level of the component Ax.

Normal usage 300 units per week  
Maximum usage 450 units per week  
Minimum usage 150 units per week  
Re-order quantity 2,400 units.  
Delivery period 4-6 weeks  
Emergency delivery period 3 weeks

7. State five classifications of overheads.
8. What is Labour Turnover? What are the reasons for Labour Turnover?

### SECTION – C

**Answer all the questions:**

**5X1=5**

9. Mention any two types of codification of materials with an example each.
10. Write any two differences between Bin Card and a Stores Ledger.
11. Calculate EOQ for material M

Annual usage	:	90,000 units
Buying cost per order	:	`10
Cost of carrying inventory	:	10% of cost
Cost per unit	:	`50

12. What is idle time? State any two causes of idle time.
13. State where the following items will appear in the cost sheet?
- Leather in shoe making
  - Employee state insurance
  - Country home salary.
  - Bad debts.

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**CREDIT BASED THIRD SEMESTER B.Com. DEGREE  
EXAMINATION  
OCTOBER 2014  
COMMERCE  
COST ACCOUNTING – I**

**Time: 3 Hrs**

**SECTION – A**

**Answer any Three questions:**

1. Agnes Limited furnishes the following information for 100 radios produced during 2011.

Materials	16,000
Wages	20,000
Power and fuel	2,000
Works managers salary	3,000
General Expenses	1,000
Advertising	3,000
Carriage outwards	1,500
Consumable stores	1,000

Depreciation on machinery	2,000
Indirect wages	2,000
Salaries	7,000
Office Rent, Rates	1,000
Bad debts	500
Salesmen's salary	1000

Prepare a cost sheet for the year 2011. The company proposes to produce 150 radios in 2012. Prepare the estimated cost sheet showing the price at which each radio is to be sold at a profit of 20% on sales considering the following:-

- Price of materials will go up by 25%.
- Wages will rise by 10%.
- Selling expenses per radio will remain unaffected.
- Other expenses remain constant except wages and manufacturing overheads irrespective of changes in the output.
- Manufacturing overheads will rise in proportion to the combined cost of materials and wages.

- The following is the stores receipts and issues of material in a manufacturing company during July 2013.

July 1<sup>st</sup> opening stock 100 units at `10 per unit

2<sup>nd</sup> issued 25 units to Dept. A

7<sup>th</sup> Received 425 units at `11 per unit

10<sup>th</sup> issued 200 units to Dept. B

12<sup>th</sup> returned to stores 10 units from department A

15<sup>th</sup> returned to vendor 20 units out of the quantity received on 7<sup>th</sup> July.

17<sup>th</sup> received 110 units at `12.50 per unit

25<sup>th</sup> received 100 units at `10 per unit

29<sup>th</sup> issued 200 units to department B

30<sup>th</sup> received 100 units at `11 per unit

Stock verification reports reveals a loss of 10 units on 16<sup>th</sup> July and a surplus of 15 units on 31<sup>st</sup> July 2013.

Enter the above transactions in the stores ledger using FIFO method.

- The new Enterprises Ltd, has production departments A, B, and C and two service departments D and E. The following figures are extracted from the records of the company for the month of July 2012.



Rent and Rates	5,000	Power	1,500
General lighting	600	Depreciation of machinery	10,000
Indirect wages	1,500	Sundries	10,000

The following further details are available.

	Total	A	B	C	D	E
Floor space (sq.ft.)	10,000	2,000	2,500	3,000	2,000	500
Light points	60	10	15	20	10	5
Direct wages (Rs.)	10,000	3,000	2,000	3,000	1,500	500
H.P of machines	150	60	30	50	10	---
Value of Machinery (Rs.)	2,50,000	60,000	80,000	1,00,000	5,000	5,000
Working hours	---	6,226	4,028	4,056	---	---

The expenses of D and E are allocated as follows:

	A	B	C	D	E
D	20%	30%	40%	---	10%
E	40%	20%	30%	10%	---

Prepare Primary and Secondary distribution summary of overheads under Repeated Distribution Method.

4. What is cost accounting? Explain briefly its objectives and advantages.

### SECTION – B

Answer any Three questions:

3×5=15

5. From the following information, calculate the earnings of A, B, C and D under Taylors Differential Piece Rate System. The working hours in a week 48 hours. Standard output 4 units per hour. Time Rate `32 per hour.

Actual output: A – 180 units; B – 195 units C – 193 units, D – 204 units.

6. From the following information prepare cost sheet ascertaining the cost under the following divisions of cost.

- a) Prime cost      b) Works cost      c) Total cost  
d) Selling price

Direct Materials:-

Paper pulp 500 tons at `50 per ton  
Other materials 100 tons at `30 per ton

Direct labour:

80 skilled men at `3 per day for 25 days

40 unskilled men at `2 per day for 25 days

Direct expenses:-

Special equipments `3,000

Special dies `1,000

Works overhead

Variable: 100% on direct wages

Fixed: 50% on direct wages

Administration overhead at 10% on works cost, selling and distribution overhead at 15% on works cost.

7. From the following information calculate the maximum stock level, minimum stock level, reordering level, danger level and average stock level of material X.
- a) Normal consumption 300 units per day.
  - b) Maximum consumption 420 units per day
  - c) Minimum consumption 240 units per day.
  - d) Reorder quantity 3,600 units
  - e) Reorder period 10 – 15 days
  - f) Emergency delivery period 8 days.
8. What is idle time? What are its causes? How to overcome Idle time?

### SECTION – C

**Answer all the questions:**

9. What is a cost unit? Name its different types.
10. Write any 2 differences between Stores Ledger and Bin card.
11. What is meant by ABC Analysis?
12. State any two differences between Time Keeping and Time Booking.
13. From the following details calculate EOQ Annual consumption 20,000 units. Cost of material `40 each, cost of placing and receiving one order `50. Annual carrying cost of inventory is 10% of inventory value.

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**CREDIT BASED THIRD SEMESTER B.Com. DEGREE**

**EXAMINATION  
OCTOBER 2015  
COMMERCE  
COST ACCOUNTING – I**

**Time: 3 Hrs**

**SECTION – A**

**Answer any THREE questions:**

1. Anirudh Eagles Ltd furnishes the following information for the month of July 2014. Prepare a cost sheet.

<b>Stock on 30-06-2014</b>	
Raw material	15,000
Work in progress	14,000
Purchases	90,000
Direct wages	96,000
Material issued form stores	7,000
Factory supplies	8,000
Trade magazines	1,600
General Manager's salary	12,000
Depreciation on office furniture	1,8000
Office salary	4,600
Debenture interest	4,500
Sales (15,000 units)	3,15,000
Finished stock insurance	2,400
Sales office expenses	2,800
<b>Stock on 31-07-2014:</b>	
Work in progress	15,200
Finished goods (units)	1000 units
Donations	6,500
Stores expenses	2,500
Material handling charges	2,500
Loss on sale of office furniture	250
Counting house salary	2,800
Coal, gas & water	12,400
Audit fees	3,000
Goodwill written off	2,000
Underwriting commission	1,000
Interest on bank loan	1,500
Legal charges	1,000
Samples	2,500
Packing	1,600
Showroom expenses	2,000
Delivery van expenses	2,500
Haulage	1,000
Bad Debts	200
Cost of defective work	100
Income tax paid in advance	2,000
Drawing office expenses	1,000

2. Enter the following transactions in the stores ledger of 'AA' material using FIFO method.

2014

July 1, balance 250 units at Re.1 per unit

July 3, received 100 units at Re 1.10 per unit GR No.12

July 4, issued 50 units MR No.61

July 6, received 800 units at ` 1.20 per unit GR No.13

July 7, issued 300 units MR. No.63

July 8, return to stores 20 units issued on MR. No. 61  
 July 12, received 300 units at ` 1.25 per units GR. No.15.  
 July 13, shortage of 5 units was found on stock verification  
 July 15, issued 320 units MR. No.23  
 July 18, received 100 units at ` 1.30 per unit GR No.20  
 July 20, issued 120 units MR. No. 102  
 July 23, returned to vendor 30 units from GR. No. 15  
 July 26, received 200 units at 1 per unit GR. No.25  
 July 26, freight paid on purchase made on July 26, `70 GR No. 25  
 July 30, issued 150 units MR. No. 105  
 July 31, excess of 10 units was found on stock verification.

3. Avin Manufacturing Ltd., has 3 Production Departments namely P1, P2 and P3 and 2 Service Departments namely S1 and S2. The details of which are:

Particulars	P1	P2	P3	S1	S2
Direct wages (`)	3,000	2,000	3,000	1,500	500
Working hours	3,070	4,475	2,419	--	--
Value of machinery(`)	60,000	80,000	1,00,000	5,000	5,000
HP of machinery	60	30	50	10	--
Light points	10	15	20	10	5
Floor space (sq ft)	2,000	2,500	3,000	2,000	500

Additional information:

Rent & rates `5,000, General lighting `600, Indirect wages `1,500, Power `1,500, Depreciation of Machinery `10,000 and Sundries `9,600.

Expenses of service department are allocated as follows:

Particulars	P1	P2	P3	S1	S2
S1	20%	30%	40%	--	10%
S2	30%	20%	30%	20%	--

Find out total overheads of production departments charging service department cost to production departments under Simultaneous Equation Method.

4. What is Cost Accounting? What are its objectives? Explain the advantages of Cost Accounting.

### SECTION – B

**Answer any THREE questions:**

5. Distinguish between Bin card and Store Ledger.
6. On the basis of following information, calculate earnings of an employee on a Straight Piece rate basis & Taylor's differential piece rate system.
- Standard production 8 units/hour
  - Normal rate ` 40/hour
  - Differential piece rate applicable:  
80% of piece rate below standard  
120% of piece rate at or above standard
  - In an 8 hour day, - Mr. X produces 54 units, Mr. Y=64 units, Mr. Z=75 units
7. From the following prepare stores ledger account, pricing issues at weighted average method.

Jan 1, 2014	Opening balance	3,000 kgs @ `15/kg
Jan 3	Purchased	5,000 kgs @ `16/kg
Jan 4	Issued	1,200 kgs
Jan 10	Surplus from work order returned	300 kgs
Jan 15	Purchased	1,050 kgs
Jan 20	Issued	4,000 kgs
Jan 25	Purchased	4,980 kgs @ `13/kg
Jan 30	Issued	3,000 kgs

8. Calculate Maximum Level, Minimum Level, Average Stock Level, Reordering Level and Danger Level from the following data:-

Re-Order Quantity:	1,500 units
Delivery Period:	4 to 6 weeks
Emergency delivery period:	3 weeks
Maximum Consumption:	400 units per week
Normal Consumption:	300 units per week
Minimum Consumption:	200 units per week

### SECTION – C

**Answer all questions:**

9. Mention any two methods of coding of materials with examples.
10. What is Labour Turnover? State any two causes of Labour Turnover.
11. State any two differences between Financial Accounting and Cost Accounting.
12. Calculate the earnings of the worker under Halsey's plan if the time taken is 6 hours, standard time is 10 hours, time rate is `20/hour.
13. Find out the Economic Ordering Quantity from the following particulars:  
Annual Usage: 6,000 units  
Cost of material per unit: `20  
Cost of placing and receiving one order: `60  
Annual carrying cost of one unit: 10% of inventory value.

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**CREDIT BASED THIRD SEMESTER B.Com. DEGREE EXAMINATION OCTOBER 2016**  
**COMMERCE**  
**COST ACCOUNTING - I**

Time: 3 Hrs.

Max. Marks: 80

## SECTION – A

Answer any THREE questions:

3×20=60

1. The following particulars are obtained from the financial accounts of Ishmitha Exports Pvt. Ltd., for the year ended 31<sup>st</sup> December 2015

	₹		₹
Purchase of raw materials	85,000	Show room rent	800
Productive wages	65,000	Welfare services	2,000
Unproductive wages	6,000	Haulage	650
Motive power	4,000	Water supply	250
Loose tools written off	500	Estimating expenses	1,250
Chargeable expenses	5,000	Rectification cost of defectives	150
Duty on purchase	500	Material transferred to XY Plant	2,000
Reserve for Bad debt	1,600	Sales tax	920
Bad debt	500	Material sold	500
Telephone charges	400	Scrap sold – Material	200
Works stationery	1,500	Factory	300
Carriage Inward	800	Loss by fire – Building	10,000
Carriage outward	200	Material	1,600
Debt collection charges	460	Furniture	750
Loss on sale of delivery van	680	Samples and free gifts	1,100
Subsidy received on exports	7,000	Upkeep of delivery vans	800
Office expenses	9,600	Commission on sales	250
Warehouse rent	890		

Stock:	On 1-1-2015	On 31-12-2015
Materials (₹)	11,000	3,000
W.I.P (₹)	15,000	11,000
Finished goods (units)	1,500	500
Furnished goods (value) (₹)	54,000	----

6,000 units are sold at ₹50 per unit.

From the above particulars prepare a Cost Statement showing the components of cost per unit and the net profit for the year 2015.

2. From the following particulars pertaining to material "Mix" prepare a Stores Ledger using FIFO method of pricing the materials during 2016.

February 1, 2016 – Opening stock 600 units @ ₹32 per unit.

Purchases during February 2016

Date	Quantity	Rate (₹)	GRN No.
Feb 10	400	25	496
Feb 20	380	30	447
Feb 25	400	35	449
Feb 27	325	46	451