



III Semester 5 Year B.Com.,LL.B. (Even Sem.) Examination, Aug./Sept. 2024
COST ACCOUNTING

Duration : 3 Hours

Max. Marks : 80

Instructions : 1. Answer all five Units.

2. One essay type question and short note/problem is compulsory from each Unit.

3. Answer should be written in English completely.

4. Use simple calculator.

UNIT – I

Q. No. 1. a) A factory uses job costing. The following data are obtained from its books for the year ended 31st Dec. 2022.

Marks : 10

	₹
Direct material	90,000
Selling and distribution overhead	52,500
Direct wages	75,000
Administration overhead	42,000
Factory overheads	45,000
Profit	60,900

(1) Prepare cost sheet.

(2) In 2023, the factory received an order for a number of jobs. It is estimated that direct materials required will be ₹ 12,000 and direct labour will cost ₹ 7,500. What should be the price for these jobs if factory intends to earn the same rate of profit on sales ? Assume that the factory recovers factory overheads as a percentage of direct wages and administration, selling and distribution overheads as a percentage of work cost based on cost rates prevailing in the previous year.

OR

Q. No. 1. a) What is cost accounting ? Explain the objectives and functions of cost accounting.

Marks : 10

P.T.O.



Q. No. 1. b) Write a short note on cost centre and cost unit.

Marks : 6

OR

Q. No. 1. b) From the following figures prepare a cost sheet showing cost per unit and profit for the period :

Marks : 6

	₹
Opening stock of raw materials	20,000
Purchase of raw materials	1,00,000
Closing stock of raw materials	10,000
Direct wages	60,000
Machine hours worked	10,000
Machine hour rate	1.25 ps
Office overhead 25% of works cost;	
Selling overhead ₹ 2 per unit.	
Rate of profit 20% on cost.	
Units produced and sold 6,000.	

UNIT – II

Q. No. 2. a) Explain the various techniques of inventory control.

Marks : 10

OR

Q. No. 2. a) From the following particulars, prepare stores ledger account and pricing under LIFO method.

1-3-2023	Opening stock 20 tones @ of ₹ 480 per tone
6-3-2023	Issued 140 tone
7-3-2023	Purchasing 350 tones @ of ₹ 460 per tone



8-3-2023 Condemned due to deterioration in
transferred to scrap 30 tones (loss)

9-3-2023 Issued 80 tones

14-3-2023 Issued 210 tones

17-3-2023 Purchased 200 tones @ ₹ 480 per tone

20-3-2023 Issued 280 tones

25-3-2023 Purchased 280 tones @ ₹ 470 per tone

28-3-2023 Issued 293 tones.

Marks : 10

Q. No. 2. b) Write a short note on material purchase procedure.

Marks : 6

OR

Q. No. 2. b) The following transaction took place in respect of a material item.

Marks : 6

Date	Receipt Qty.	Rate per unit	Issue Qty.
March 2	200	2.00	—
March 10	300	2.40	—
March 15	—	—	250
March 18	250	2.60	—
March 20	—	—	200

Prepare a stores ledger account under weighted average method for the year 2023.



UNIT – III

- Q. No. 3. a) Calculate the total earnings and the rate earned per hour of three workmen under the Halsey and Rowan plans, the bonus under Halsey plan is 50% of the time saved.

Standard time 20 hours ;

Hourly rate of wages ₹ 4.

Time taken by :

A – 16 hours, B – 10 hours and C – 8 hours.

Marks : 10

OR

- Q. No. 3. a) From the following particulars calculate the total earnings of the four workers under Merrick differential piece rate system.

Normal rate per hour ₹ 5 per unit.

Standard production per hour 10 unit.

In an 8 hours a day.

A – Produced – 70 units

B – Produced – 90 units

C – Produced – 65 units

D – Produced – 110 units.

Marks : 10

- Q. No. 3. b) Write a short note on bin card.

Marks : 6

OR

- Q. No. 3. b) From the following information, calculate Labour Turnover Rate (LTR).

Marks : 6

Number of workers at the beginning of the period 3,800

Number of workers at the end of the period 4,200.

During the year, 40 workers left while 160 workers are discharged. 600 workers are recruited during the year of these, 150 workers are recruited to fill up vacancies and the rest are engaged on account of an expansion scheme.



UNIT – IV

- Q. No. 4. a) A factory has three production department's and two service departments. The following are extracted from the books :

Primary O/H	Production Department			Service Department	
	X	Y	Z	A	B
	31,240	50,172	18,188	16,000	10,400

The expenses of service department's A and B are to be allocated as follows :

Service Departments	A	30%	40%	10%	–	20%
	B	20%	20%	50%	10%	–

Estimate working hours of production departments are :

X – 1,000 hours, Y – 2,500 hours, Z – 1,400 hours.

Prepare a statement showing the distribution of the 2 service department O/H, using Simultaneous Equation method.

Marks : 10

OR

- Q. No. 4. a) From the following particulars compute machine hour rate :

Marks : 10

	₹
Cost of machine	1,14,800
Installation charges	5,400
Life of machine 10 years scrape value at end	5,000
Rent, rates p.a.	12,000
Insurance of machine	3,000
Repairs and maintenance	8,640
Consumable stores p.a.	1,200
Production service cost	1,080



Power cost is 5 units per working hour at 40 paise per unit.

Setting up time (non-productive) 400 hours p.a.

There are 300 working days of eight hours each in a year.

Q. No. 4. b) Write a short note on methods of absorption of overheads.

Marks : 6

OR

Q. No. 4. b) Write a short note on secondary overhead distribution summary.

Marks : 6

Service	A	30%	40%	10%	–	20%
Departments	B	UNIT – V	50%	30%	10%	–

Q. No. 5. a) For production of 10,000 units the following are budget expenses :

Marks : 10

Per Unit (₹)

Direct materials	48
Direct labour	24
Variable overheads	20
Fixed overheads ₹ 1,20,000	12
Variable expenses (Direct)	4
Selling expenses (10% fixed)	12
Administration expenses (₹ 40,000 fixed)	4
Distribution expenses (20% fixed)	4
Total	128

Prepare a budget for production of 7,000 units and 9,000 units.

OR



Q. No. 5. a) 'A' limited provides the following trading results :

Marks : 10

Year	Sale	Project
2022-23	25,00,000	10% of sale
2023-24	20,00,000	8% of sale

You are required to calculate.

- (i) Fixed cost.
- (ii) Break even point.
- (iii) Amount of profit, if sale is ₹ 30,00,000.
- (iv) Sale, when desired profit is ₹ 4,75,000.
- (v) Margin of safety at a profit of ₹ 2,70,000.

Q. No. 5. b) Write a short note on cash budget.

Marks : 6

OR

Q. No. 5. b) Write a short note on P.V. ratio and Break Even Point.

Marks : 6
