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Third Semester 5 Year B.Com. LL.B. Examination, Jan./Feb. 2025
(Odd Sem.)
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. Figure to the right indicate marks.
4. Answers should be written in English completely.
5. Use simple calculator.

UNIT – I

Q. No. 1. a) State the steps involved in the installation of a costing system in a manufacturing company. Marks : 10

OR

Q. No. 1. a) The following is an extract of the costing information for the year ended 31st March 2022 : Marks : 10

Particulars	Rs.
Sales	1,96,000
Purchase-Raw material	60,000
Direct wages	60,000
Rent, Rates and Insurance	21,000
Carriage inwards	1,000
Opening stock : Raw material	10,000
Finished goods (200 tons)	12,000
Closing stock : Raw materials	11,000

P.T.O.

Supervision	3,000
Advertising	4,000
Office overheads	30,000
Selling expenses	8,000

3000 tons of the commodities were produced. The closing stock of finished goods is 400 tons. The same has to be valued at work cost. Prepare a detailed cost statement showing :

1) Cost of the output – total as well as per unit.

2) Net profit for the year.

Q. No. 1. b) Mr. Ganesh provides the following information which is related to the product of his enterprise for the month of December 2020 : Marks : 6

Raw Materials Consumed	Rs. 30,000
Direct Labour Charges	Rs.18,000
Machine hours worked	1800 hrs
Machine hour rate	Rs. 10
Administrative overheads	20% on works lost
Selling overhead	Re. 1 per unit
Units produced	26,400 units
Units sold	25,000 units @ Rs. 8 per unit

Draft cost statement and determine cost per unit and profit per unit.

OR

Q. No. 1. b) Define cost accounting and explain its objectives. Marks : 6

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UNIT – II

Q. No. 2. a) Briefly explain various techniques used for inventory control. Marks : 10

OR

Q. No. 2. a) Prepare the stores ledger from the following particulars assuming that the issues of stores priced on FIFO method. Marks : 10

Date

1 Jan. Opening stock 2000 units @ Rs. 26 each

2 Jan. Issued 1000 units

3 Jan. Issued 800 units

4 Jan. Purchased 1500 units @ Rs. 27.50 each

4 Jan. Issued 400 units

5 Jan. Issued 320 units

6 Jan. Purchased 1000 units @ Rs. 29 each

7 Jan. Issued 1400 units

8 Jan. Returned to vendor, purchases made on 6th Jan. 30 units

10 Jan. Purchased 1500 units @ Rs. 34 each

Q. No. 2. b) Write a short note on Economic Order Quantity (EOQ). Marks : 6

OR

Q. No. 2. b) From the following information, calculate maximum level, minimum level, reorder level and danger level. Marks : 6

Minimum Consumption	100 kgs per day
Normal Consumption	120 kgs per day
Maximum Consumption	150 kgs per day
Reorder quantity	1500 kgs
Reorder period	10 – 15 days
Normal order period	12 days
Time for emergency supplies	3 days

UNIT – III

Q. No. 3. a) Briefly describe the various methods of labour remuneration and also describe any two incentive plans. Marks : 10

OR

Q. No. 3. a) Calculate the earnings of a worker from the following information : Marks : 10

i) Time Rate Method

ii) Halsey plan and

iii) Rowan plan.

Information given :

Standard time 30 hours

Time taken 20 hours

Hourly rate of wages is Re. 1 per hour plus a dearness allowance @ 50 paise per hour worked.

Q. No. 3. b) Write a short note on overtime time and Idle time. Marks : 6

OR

Q. No. 3. b) Write a short note on labour turnover. Marks : 6

UNIT – IV

Q. No. 4. a) From the following particulars, calculate the overhead allocable to production department P and Q. There are two service department S_1 and S_2. Marks : 10

S_1 renders services to P and Q as 3 : 2

S_2 renders services to P and Q as 9 : 1

Particulars	P	Q	S_1	S_2
Floor space (sq. ft.)	2500	2000	500	500
Assets (Rs.)	5,00,000	2,50,000	1,50,000	50,000
HP of machines	500	250	200	50
No. of workers	100	50	50	25
Light points	50	30	20	20

Expenses and charges	Rs.
Depreciation	95,000
Insurance	7,600
Canteen Expenses	5,400
Rent, rates and taxes	18,000
Power	10,000
Electricity	2,400

OR

Q. No. 4. a) Define overhead. Mention the different methods of classification of overheads. Marks : 10

Q. No. 4. b) Compute the machine hour rate from the following data : Marks : 6

	Rs.
Cost of machine	1,00,000
Installation charges	10,000
Scrap value after 15 years	5,000
Rent of the shop per month	200
Lighting for the shop per month	300
Insurance for the machine p.a.	960
Repairs p.a.	1,000
Power 10 units per hour	
Rate of power per 100 units	20
Shop supervisor salary p.m.	600
Estimated working hours p.a.	1,000

The machine occupies one-fourth of total area of the shop.
Supervisor devotes one-third of his time for this machine.

OR

Q. No. 4. b) Write a short note on Absorption of overheads. Marks : 6

UNIT – V

Q. No. 5. a) Prepare a flexible budget for overheads on the basis of the following information. Ascertain the overhead rates at 50%, 60% and 70% capacity. Marks : 10

Variable overheads	At 60% capacity
Indirect material	Rs. 6,000
Indirect labour	Rs. 18,000

Fixed overheads	
Depreciation	Rs. 16,500
Insurance	Rs. 4,500
Salaries	Rs. 15,000
Estimated direct labour hours	30000 hrs.

OR

Q. No. 5. a) Define marginal costing. Discuss the importance of marginal costing for business enterprise. Marks : 10

Q. No. 5. b) Write a short note on cash budget. Marks : 6

OR

Q. No. 5. b) The sales turnover and profit during two years were as follows : Marks : 6

Year	Sales (Rs.)	Profit (Rs.)
2020	1,40,000	15,000
2021	1,60,000	20,000

You are required to calculate :

i) P/V ratio

ii) Sales required to earn a profit of Rs. 40,000

iii) Profit when sales are Rs. 1,20,000.