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Third Semester 5 Year B.Com. LL.B. Examination, March/April 2024 (Odd Sem.)
COST ACCOUNTING

Duration : 3 Hours | Max. Marks : 100

Instructions : 1. Answer Q. No. 9 and any five of the remaining questions.
2. Q. No. 9 carries 20 marks and the remaining questions carry 16 marks each.
3. Answers should be written in English completely.
4. Use simple calculator only.

Q. No. 1. Define Cost Accounting. Explain the objectives of Cost Accounting. Marks : 1×16=16

Q. No. 2. Mr. Ganesh furnishes the following data retailing to the manufacture of a standard product during the month of April 2020. Marks : 1×16=16

Raw Materials Consumed	Rs. 15,000
Direct Labour Charges	Rs. 9,000
Machine hours Worked	900
Machine hour rate	Rs. 5
Administrative Overheads	20% on Works Cost
Selling Overheads	Rs. 0.50 per unit
Units produced	17,100
Units Sold	16000 at Rs. 4 per unit

You are required to prepare a Cost Sheet from the above, showing :

a) The cost of production per unit.

b) Profit per unit sold and profit for the period.

Q. No. 3. Outline the steps in the purchasing procedure from the time a need for material is determined until the material is stored and paid for. Marks : 1×16=16

P.T.O.

Q. No. 4. Following transactions occur in the purchase and issue of a material : Marks : 1×16=16

Jan. 2020

2 Purchased 4000 units @ Rs. 4.00 per unit

20 Purchased 500 units @ Rs. 5.00 per unit

22 Issued 2000 units

25 Purchased 6000 units @ Rs. 6.00 per unit

28 Issued 4000 units

Feb.

2 Issued 1000 units

5 Issued 2000 units

15 Purchased 4500 units @ Rs. 5.50 per unit

20 Issued 3000 units

From the above, prepare stores ledger account by adopting FIFO method and LIFO method.

Q. No. 5. What do you understand by labour turnover ? How is it Measured ? What steps should be taken to check the increasing rate of labour turnover ? Marks : 1×16=16

Q. No. 6. GG Ltd. is a manufacturing company having three production departments. P_1, P_2 and P_3 and two service departments S_1 and S_2. Following is the budget for Dec. 2020. Marks : 1×16=16

	Total	P_1	P_2	P_3	S_1	S_2
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Direct Material		1,000	2,000	4,000	2,000	1,000
Direct Wages		5,000	2,000	8,000	1,000	2,000
Factory Rent	4,000					
Power	2,500					
Depreciation	1,000					
Other overhead	9,000					

Additional Information :

Area (sq.ft)	500	250	500	250	500
Capital Values (Rs. in lacs)	20	40	20	10	10
Machine hours	1000	2000	4000	1000	1000
HP of Machines	50	40	20	15	25

A technical assessment for the apportionment of expenses of service departments is as under :

	P_1	P_2	P_3	S_1	S_2
	%	%	%	%	%
S_1	45	15	30	–	10
S_2	60	35	–	5	–

Required :

i) A statement showing distribution of Overheads to various departments.

ii) A statement showing re-distribution of service departments expenses to production departments.

Q. No. 7. Define Marginal Costing. Explain briefly the techniques of Marginal Costing. In what ways you consider the technique useful in Cost/Management accounting ? Marks : 1×16=16

Q. No. 8. Write short note on **any two** of the following : Marks : 2×8=16

(a) EOQ and Re-order Level.

(b) Classification of overhead cost.

(c) Cost centre and cost unit.

Q. No. 9. Solve **any two** of the following problems : Marks : 2×10=20

(a) Discuss different methods of wage payment.

(b) Following particulars relate to a manufacturing company which has three production departments P_1, P_2 and P_3 and two service departments S_1 and S_2.

	P_1	P_2	P_3	S_1	S_2
Total departmental Overheads as per primary distribution (Rs.)	6,300	7,400	2,800	4,500	2,000

The Company decided to change the service departments cost on the basis of following percentages.

	P_1	P_2	P_3	S_1	S_2
S_1	40%	30%	20%	–	10%
S_2	30%	30%	20%	20%	–

Find the total overheads of production departments charging service departments costs to production departments on :

i) Repeated distribution and

ii) Simultaneous equation method.

(c) Prepare a flexible budget for overheads on the basis of the following data.

Ascertain the overhead rates at 50%, 80% and 90% capacity.

	At 50% capacity (Rs.)
Variable Overheads :	
Indirect Material	3,000
Indirect Labour	9,000
Semi-variable Overheads :	
Electricity (40% Fixed 60% variable)	15,000
Repairs (80% fixed, 20% variable)	1,500
Fixed Overheads :	
Depreciation	8,250
Insurance	2,250
Salaries	7,500
Total Overheads	46,500
Estimated direct labour hours	**93,000**