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Third Semester 5 Yr. B.Com. LL.B. Examination, October/November 2022 (June 2022)
COST ACCOUNTING

Duration : 3 Hours Max. Marks : 80

Instructions : 1. Answer all five Units.
2. One essay type question and short note/problems is compulsory from each Unit.
3. Figures to be right.
4. Answers should be written in English.

UNIT – I

Q. No. 1. (a) Mr. A furnishes the following data relating to the manufacture of a standard product during the month of April 2020. Marks : 10

	Rs.
Raw material consumed	15,000
Direct labour	9,000
Machine hour rate	5

Machine hours worked 900 hours
Administration Overheads 20% on work cost
Selling overhead Re. 0.50 per unit.
Units produced 17100
Units sold 16000 at Rs. 4 per unit
You are required to prepare a cost sheet from the above, showing :
a) The cost per unit
b) Cost per unit sold and profit for the period.

OR

(a) Briefly explain different classification of cost. Marks : 10

Q. No. 1. (b) Write a short note on objectives of cost accounting. Marks : 6

OR

(b) The cost data of Hari Ltd. shows the following : Marks : 6

	Rs.
Material	1,40,000
Direct wages	1,08,000
Factory overhead	32,400
Administrative overhead	2,24,000

Prepare a statement showing total cost and also prepare percentage of factory overhead to direct wages and percentage of administrative overhead to factory cost.

P.T.O.

UNIT – II

Q. No. 2. (a) Explain various techniques of Inventory Control. Marks : 10

OR

(a) Following is an extract of receipts and issues, prepare stores ledger A/c using LIFO method : Marks : 10

November 1 Opening balance 500 units @ Rs. 40/unit
3 Purchased 3500 units @ Rs. 40/unit
4 Purchased 5000 units @ Rs. 50/unit
8 Issued 2000 units
13 Purchased 6000 units @ Rs. 60/unit
14 Issued 4000 units
16 Issued 1000 units
20 Issued 2000 units
24 Purchased 4000 units @ Rs. 5/unit
25 Issued 3000 units

Q. No. 2. (b) Calculate maximum level, minimum level and reordering level from the following data : Marks : 6
Re-order quantity 1500 units
Re-order period 4 to 6 weeks
Maximum consumption 400 units/week
Normal consumption 300 units/week
Minimum consumption 250 units/week.

OR

(b) Write a short note on Bin Card. Marks : 6

UNIT – III

Q. No. 3. (a) Explain the various causes of labour turnover. Marks : 10

OR

(a) What is Idle time ? Explain the causes leading to idle time. Marks : 10

Q. No. 3. (b) A worker completes a job in a certain number of hours. The standard time allowed for the job is 10 hours, and the hourly rate of wages is Re. 1. The worker earns at the 50% rate of bonus of Rs. 2 under Halsey Plan.
Ascertain his total wages under the Rowan Premium Plan. Marks : 6

OR

(b) The cost accountant of X Ltd. has computed labour turnover rates for the quarter ended 31st March 2020 as 10%, 5% and 3% respectively under flux method, replacement method and separation method. If the number of workers replaced during the quarter is 30, find out the number of workers recruited and joined and workers left and discharged. Marks : 6

UNIT – IV

Q. No. 4. (a) Hari Ltd. has three production dept. P, Q, R and two service dept., S and T. The following figures are extracted from the records of the company :- Marks : 10

Rent	Rs. 10,000	Lighting	Rs. 1,200
Indirect wages	Rs. 3,000	Power	Rs. 3,000
Dep. of Machinery	Rs. 20,000	Sundries	Rs. 20,000

The following further details are available.

	Total	P	Q	R	S	T
Floor space (sq. ft.)	10,000	2,000	2,500	3,000	2,000	500
Light point	60	10	15	20	10	5
Direct wages (Rs.)	10,000	3,000	2,000	3,000	1,500	500
HP of machines	150	60	30	50	10	–
Value of machinery	2,50,000	60,000	80,000	1,00,000	5,000	5,000

OR

(a) A company has three Production Departments and two Service Departments and for a period the departmental distribution summary has the following details. Marks : 10

Production Department :	**Rs.**
P_1 – Rs. 800, P_2 – Rs. 700, P_3 – Rs. 500	2,000
Service Department :	
S_1 – Rs. 234 and S_2 – Rs. 300	534
	2,534

The expenses of the service department are charged out on a percentage basis as follows :

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

Prepare a statement showing the apportionment of two service department expenses to production department by simultaneous equation method.

Q. No. 4. (b) A machine is purchased for each at Rs. 9,200. Its working life is estimated to be 18000 hours after which its scrap value is estimated at Rs. 200. It is assumed from past experience that : Marks : 6

a) The machine will work for 1800 hours annually.
b) The repair charges will be Rs. 1,080 during the whole period of life of the machines.
c) The power consumption will be 5 units per hour @ 6 paisa per unit.

d) Other standing charges are estimated to be :
   1) Rent of department (machine occupies 1/5th of total space) Rs. 780
   2) Light (12 points in the department – 2 points engaged in the machine) Rs. 288
   3) Foreman's salary (1/4th of his time is occupied in the machine) Rs. 6,000
   4) Insurance premium (fire) for machinery Rs. 36
   5) Cotton waste Rs. 60

Find out machine hour rate on the basis of the above data for allocation of the works expenses to all jobs for which machine is used.

OR

(b) Write a short note on absorption of overheads. Marks : 6

UNIT – V

Q. No. 5. (a) Define marginal costing. Explain the uses of break-even analysis. Marks : 10

OR

(a) For production of 10000 electrical irons, the following are budgeted expenses. Marks : 10

	Per Unit (Rs.)
Direct materials	60
Direct labour	30
Variable overhead	25
Fixed overhead (Rs. 1,50,000)	15
Variable expenses (Direct)	5
Selling expenses (10% fixed)	15
Administration expenses (Rs. 50,000 rigid of all levels of production)	5
Distribution expenses (20% fixed)	5
	160

Prepare a budget for production of 6000, 7000 and 8000 irons.

Q. No. 5. (b) The sales and total costs for 2 years are as below : Marks : 6

	Sales (Rs.)	Total Cost (Rs.)
2019	10,00,000	10,50,000
2020	14,00,000	12,50,000

Calculate :
a) BEP
b) P/v ratio
c) Sales required to earn profit of Rs. 2,00,000
d) Profit when sales are Rs. 12,00,000.

OR

(b) Write a short note on cash budget. Marks : 6