

C 2099

(Pages : 4)

Name.....

Reg. No.....

**FOURTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, APRIL 2021**

B.Com.

BCM 4B 05—COST ACCOUNTING

(2014 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.  
Each question carries 1 mark.*

**I. Fill in the blanks :**

- 1 An opportunity cost is \_\_\_\_\_.
- 2 The inventory level at which purchase actions need to be initiated is \_\_\_\_\_.
- 3 Allotment of proportion of items of cost to cost centres is called \_\_\_\_\_.
- 4 ZBB stands for \_\_\_\_\_.
- 5 \_\_\_\_\_ is a cost which remains constant for all levels of activity in total.

**II. Match the following :**

- |                     |                            |
|---------------------|----------------------------|
| 6. Standard costing | - Oil Refinery.            |
| 7. Job costing      | - Escalation Clause.       |
| 8. Process costing  | - Transportation Unit.     |
| 9. Contract costing | - Automobile service unit. |
| 10. Service costing | - Variance Analysis.       |
|                     | - Cost centre.             |

(10 × 1 = 10 marks)

**Part B**

*Answer any eight questions.  
Each question carries 2 marks.*

11. What is cost unit ?
12. State the meaning of ABC analysis.
13. What is time booking ?

**Turn over**

14. Differentiate the terms allocation and apportionment of overhead.
15. What is Machine-hour rate ?
16. What is master budget ?
17. What is labour cost variance ?
18. What do you mean by Re-order level ?
19. What do you mean by differential piece rate system ?
20. What is abnormal gain ?

(8 × 2 = 16 marks)

### Part C

*Answer any six questions.  
Each question carries 4 marks.*

21. State the need and importance of budgetary control.
22. What do you mean by apportionment of overhead ? What are the bases of apportionment ?
23. Briefly describe the purchase procedure of material.
24. Explain the classification of cost for the managerial decision-making.
25. Following transaction took place in respect of an item of material :

	Receipts quantity	Rate (Rs.)	Issue quantity
2-9-2018	200	2	-
10-9-2018	300	2.40	-
15-9-2018	-	-	250
18-9-2018	250	2.60	-
20-9-2018	-	-	200

Record the above transactions in the Stores Ledger, pricing the issues at Simple average rate.

26. Calculate the earnings of a worker under : (i) Halsey Plan and (ii) Rowan Plan from the following particulars :
  1. Hourly rate of wages guaranteed 0.50 paise per hour.
  2. Standard time for producing one dozen articles- 3 hours.
  3. Actual time taken by the worker to produce 20 dozen articles -48 hours.

27. A transport company maintains a fleet of Lorries for carrying goods from Delhi to Panipat, 100 kms off. Each lorry, which operates 25 days on an average in a month, starts every day from Delhi with a load of 4 tonnes and return from Panipat with a load of 2 tonnes. Calculate the total commercial tonnes kms. and cost per commercial tone km when the total monthly charges for a lorry are Rs. 27,000. Which rate per tonne should the company charge if it plans to earn a gross profit of 20 % on the freightage ?
28. From the following particulars, compute material cost variances :-
- |  |    |                   |
|--|----|-------------------|
| Quantity of materials purchased                            | .. | 3,000 units       |
| Value of materials purchased                               | .. | Rs. 9,000         |
| Standard quantity of material required per tonne of output | .. | 30 units          |
| Standard rate of material                                  | .. | Rs. 2.50 per unit |
| Opening stock of materials                                 | .. | Nil               |
| Closing stock of materials                                 | .. | 500 units         |
| Output during the period                                   | .. | 80 tonnes         |

(6 × 4 = 24 marks)

**Part D***Answer any two questions.**Each question carries 15 marks.*

29. What do you mean by material control ? Explain various techniques of material control.
30. Bengal Chemical Co. Ltd. produced three chemicals during the month of July, 2010 by three consecutive processes. In each process 2% of the total weight put in is lost and 10% is scrap which from processes (1) and (2) realises Rs. 100 a ton and from process (3) Rs.20 a ton.

The product of three processes are dealt with as follows :

	Process 1	Process 2	Process 3
Passed on to the next process	75%	50%	-
Sent to warehouse for sale	25%	50%	100%

Expenses incurred :

	Process 1		Process 2		Process 3	
	Rs.	Tons	Rs.	Tons	Rs.	Tons
Raw materials	1,20,000	1000	28000	140	1,07,840	1348
Manufacturing wages	20,500	-	18,520	-	15000	-
General expenses	10,300	-	7240	-	3100	-

Prepare Process Cost Accounts showing the cost per ton of each product.

**Turn over**

31. Engineers Ltd undertook several contracts during the year 2018. The following information relate of contract no. 107 :

Direct materials	..		20,250
Direct wages	..		15,500
Stores issued	..		10,500
Loose tools	..		2,400
Tractor expenses :			
Running material	..	2,300 +	
Wages of driver	..	<u>3,000</u>	5,300
Other direct charges			2,650

The contract took 13 weeks to complete. The value of loose tools and stores returned at the end of the period were Rs. 200 and Rs. 3,000, respectively. The plant was also returned at a value of Rs. 16,000 after charging depreciation at 20%. The value of tractor was Rs. 20,000 and the depreciation to be charged to the tractor was at 15% per annum. The administration and office expenses are to be provided at 10 % on works cost. Profit is to be charged at 20% of the total cost.

Prepare the aforesaid Contract account, assuming the balance of the contract was duly received from the contractee.

(2 × 15 = 30 marks)