

C 80787

(Pages : 4)

Name.....

Reg. No.....

FOURTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, APRIL 2020

(CUCBCSS—UG)

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.

1. Cost accounting is useful for _____.
 - (a) Ascertaining the financial position of a firm.
 - (b) Ascertaining the profit or loss of a firm.
 - (c) Controlling cost.
 - (d) None of the above.

2. Total fixed cost _____.
 - (a) Remains constant in total.
 - (b) Remains constant per unit.
 - (c) Both (a) and (b).
 - (d) None of the above.

3. Conversion cost includes :
 - (a) Direct material + direct labour + works expenses.
 - (b) Indirect material + indirect labour + other expenses.
 - (c) Labour + manufacturing expenses.
 - (d) None of the above.

Turn over

4. Allotment of all items of overheads to a cost centres is known as _____.

- (a) Allocation. (c) Apportionment.
(b) Classification. (d) Absorption.

5. _____ is a part of cost of production.

- (a) Normal waste. (c) Abnormal waste.
(b) Both (a) and (b). (d) None of the above.

Fill in the blanks :

6. Two types ideal time are _____ and _____.
7. _____ wage system is most suitable when quality of work is of prime importance.
8. In ABC analysis A stands for _____ materials.
9. The _____ costing is applied when a quantity of similar and identical products are manufactured together as one job.
10. _____ is a summary of all functional budgets.

(10 × 1 = 10 marks)

Part B

Answer any eight questions.

Each question carries 2 marks.

11. State the objectives of cost accounting.
12. What do you mean by cost centre ? Give example.
13. What is sunk cost ?
14. What is material requisition ?
15. What do you mean by JIT inventory ?
16. What do you mean by time and motion study ?
17. What is basic idea behind Tyler's differential price rate system ?
18. What is variable overhead ?
19. What is unit costing ?
20. What is Labour Hour Rate ?

(8 × 2 = 16 marks)

Part C

Answer any six questions.

Each question carries 4 marks.

21. Differentiate between cost accounting and financial accounting.
22. What do you mean by material control ? Discuss the need for material control.
23. What is meant by secondary distribution of overhead ? List the various methods of secondary distribution.
24. What is budgetary control ? State the objective of budgetary control.
25. The expenses budgeted for production of 10000 units in a factory are furnished below :

	Per unit	
Materials	...	70
Labour	...	25
Variable factory overheads	...	20
Fixed Factory Overheads (10,000)	...	10
Variable Expenses (Direct)	...	5
Selling Expenses (10% Fixed)	...	13
Distribution Expenses (20% Fixed)	...	7
Administrative Expenses (Fixed-50,000)	...	5
Total cost of sales per unit	...	155

You are required to prepare a budget for the production of 6000 units and 8000 units.

26. The following was the expenditure on a contract for Rs. 12,00,000 commenced in January 2018.

Materials	...	2,40,000
Wages	...	3,28,000
Plant	...	40,000
Overheads	...	17,200
Work uncertified	...	8,000

Cash received on account of the contract on 31st December 2018 was 4,80,000, being 80% of the work certified. The value of materials in hand was Rs. 12,000. The plant had undergone 20 % depreciation.

Prepare Contract Account.

27. 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 a bonus of Rs. 2 under Halsey Plan.

Ascertain his total wages under the Rowan premium plan.

28. The standard material required to manufacture one unit product X is 10 kg and the standard price per kg of material is Rs. 25. The cost accounts records however reveal that 11,500 kg of materials costing Rs. 2,76,000 were used for manufacturing 1000 units of product X. Calculate material variances.

(6 × 4 = 24 marks)

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

29. What is Costing ? Explain various methods of costing.
30. From the following information for the month of January, prepare a Cost Sheet :

Direct material	...	57,000
Direct wages	...	28,500
Factory rent and rates	...	2,500
Office rent and rates		500
Plant repairs and maintenance	...	1,000
Plant depreciation	...	1,250
Factory heating and lighting	...	400
Factory managers salary	...	2,000
Office salaries	...	1,600
Directors remuneration	...	1,500
Telephone and postage	...	200
Printing and stationary	...	100
Legal charges	...	150
Advertisement	...	1,500
Sales man salary	...	2,500
Showroom rent	...	500
Sales	...	1,16,000

- 31 The following particulars relate to ADM Manufacturing Company which has three production departments A, B and C and two service departments X and Y :

Departments	:	A	B	C	D	E
Total overheads as per primary distribution	:	6,300	7,400	2,800	4,500	2,000

The company decided to apportion the service department costs on the following percentages :

		A	B	C	D	E
X	..	40%	30%	20%	-	10%
Y	..	30%	30%	20%	20%	-