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| Reg.No : |  |  |  |  |  |  |  |  |  |  |  |

**D.K.M. COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE – 1**

**SEMESTER EXAMINATIONS**

**NOVEMBER – 2018 15CACO3A**

**ALLIED : COST ACCOUNTING**

**Time: 3 Hrs Max. Marks: 75**

**SECTION – A (10 X 2 =20)**

**Answer ALL the questions.**

1. Define cost accounting.
2. State the objectives of cost accounting.
3. What are the elements of cost?
4. What is Memorandum Reconciliation account?
5. Find out the EOQ from the following particulars:  
   Annual usage : 6000 units  
   Cost of Material per unit : Rs.20  
   Cost of placing and receiving one order:Rs.60. Annual carrying cost of one unit:10% of inventory value.
6. What is Inventory control?
7. Write a short note on Labour Turnover.
8. Write a note on ‘Idle time’.
9. What are fixed and variable overheads?
10. What do you mean by “Machine Hour Rate”?

**SECTION – B (5 X 5 =25)**

**Answer any FIVE of the following questions.**

1. Distinguish between Financial Accounting and Cost Accounting.
2. Define cost sheet. Explain the purposes of cost sheet.
3. From the following information, calculate:
4. Maximum stock level
5. Minimum stock level
6. Reorder level
7. Average stock level

Minimum consumption -240 units per day

Maximum consumption -420 units per day

Normal consumption -300 units per day

Reorder quantity -3,600 units

Reorder period -10-15 days.

Normal reorder period -12 days.

1. From the following particulars prepare stores ledger account under FIFO method of pricing issues.

|  |  |  |
| --- | --- | --- |
| 1.1.08 | Opening balance | 50 units at Rs.30 per unit. |
| 5.1.08 | Issued | 20 units. |
| 7.1.08 | Purchased | 48 units at Rs.40 per unit |
| 9.1.08 | Issued | 20 units |
| 19.1.08 | Purchased | 36 units at Rs.35 per unit. |
| 24.1.08 | Received back | 10 units out of the units issued on 9th January |
| 27.1.08 | Issued | 15 units. |

1. Calculate the normal and overtime wages payable to a workman from the following data:

|  |  |
| --- | --- |
| **Days** | **Hours worked** |
| Monday | 8 |
| Tuesday | 10 |
| Wednesday | 9 |
| Thursday | 11 |
| Friday | 9 |
| Saturday | 4 |

Normal working hours-8 hours per day

Normal rate : Rs.2 per hour.

Overtime rate : Double the usual rate.

1. Draw a statement of cost from the following particulars:

|  |  |  |
| --- | --- | --- |
| Opening stock: | Materials | 2,00,000 |
|  | Work in Progress | 60,000 |
|  | Finished goods | 5,000 |
| Closing stock: | Materials | 1,80,000 |
|  | Work in Progress | 50,000 |
|  | Finished goods | 15,000 |
| Material Purchased |  | 5,00,000 |
| Direct wages |  | 1,50,000 |
| Manufacturing expenses |  | 1,00,000 |
| Sales |  | 8,00,000 |
| Selling and distribution expenses |  | 20,000 |

1. The following particulars relate to a manufacturing company which has three departments A, B, C and two service departments X and Y.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Departments** |  |  |  |  |
|  | A  Rs. | B  Rs. | C  Rs. | X  Rs. | Y  Rs. |
| Total departmental overheads as per primary distribution | 6,300 | 7,400 | 2,800 | 4,500 | 2,000 |

Find the total overhead of production departments on the repeated Distribution method.

1. Explain the different methods of Costing.

**SECTION – C (3 X 10 =30)**

**Answer ALL the questions.**

1. (a) From the following particulars of the AB Ltd., prepare a statement showing:
2. The cost of materials used
3. The works cost
4. The total cost
5. The percentage of works expenses to productive wages.

|  |  |
| --- | --- |
| **Particulars** | **Rs.** |
| Stock of materials on 1st Jan 2003 | 20,000 |
| Stock of finished goods on 1st Jan 2003 | 51,000 |
| Purchase of raw materials | 5,80,000 |
| Productive wages | 3,90,000 |
| Sales of finished goods | 12,10,000 |
| Stock of raw materials on 31st Dec 2003 | 25,000 |
| Works overheads charges | 86,000 |
| Office and general expenses | 70,000 |
| Stock of finished goods on 31st Dec. 2003 | 50,000 |

(Or)

(b) Explain the advantages and disadvantages of costing system.

20. (a) The following transactions took place in respect of an item of material.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Receipt Quantity (Kgs)** | **Rate (Rs.)** | **Issue Quantity(Kgs)** |
| 2.3.02 | 200 | 2.00 | - |
| 10.3.02 | 300 | 2.40 | - |
| 15.3.02 | - | - | 250 |
| 18.3.02 | 250 | 2.60 | - |
| 20.3.02 | - | - | 200 |

Record the above transactions in stores ledger, pricing issues at weighted average method.

(Or)

(b) Standard time allowed for a job is 100 hours. The hourly rate of wage is Rs.4 per hour plus a

Dearness allowance of Rs.5.50 per hour worked. The actual time taken by the worker was 80

hours. Calculate total wages on:

1. Time rate basis
2. Halsey rate basis (50%)
3. Rowan’s Bonus plan.

21.(a) Khushal Ltd has three production departments A , B, and C and two service departments

D and E. The following figures are extracted from the records of the company:

|  |  |
| --- | --- |
| **Particulars** | **Rs.** |
| Rent and rates | 5,000 |
| Indirect wages | 1,500 |
| Depreciation of machinery | 10,000 |
| General lighting | 600 |
| Power | 1,500 |
| Sundries | 10,000 |

Following further details are available:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Total** | **A** | **B** | **C** | **D** | **E** |
| Floor space in square feet | 10,000 | 2,000 | 2,500 | 3,000 | 2,000 | 500 |
| Light points | 60 | 10 | 15 | 20 | 10 | 5 |
| Direct Wages(Rs.) | 10,000 | 3,000 | 2,000 | 3,000 | 1,500 | 500 |
| H.P of machines | 150 | 60 | 30 | 50 | 10 | - |
| Value of machinery(Rs.) | 2,50,000 | 60,000 | 80,000 | 1,00,000 | 5,000 | 5,000 |

Apportion the cost to various departments on the most equitable basis by preparing a primary

departmental distribution summary.

(Or)

(b) Work out the machine hour rate for the following machine for the month of January 2007.

|  |  |
| --- | --- |
| Cost of machine | Rs.90,000 |
| Freight and installation | Rs.10,000 |
| Working life | 10 years |
| Working hours | 2,000 per year |
| Repair charges | 50% of depreciation |
| Power | 10 units per hour at 10 paise per unit |
| Lubricating oil at | Rs.2 per day of 8 hours |
| Stores at | Rs.10 per day of 8 hours |
| Wages of operator at | Rs.4 per day. |

**\* \* \* \* \* \* \***