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D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE-1
SEMESTER EXAMINATIONS
NOVEMBER – 2017
ALLIED: COST ACCOUNTING

15CACO3A

Time : 3 Hrs

Max.Marks : 75

SECTION-A (10 x 2 =20)

Answer ALL the questions.

1. Define the term "Costing".
2. Define the term "Management Accounting"
3. What do you mean by "Cost Sheet"?
4. What do you mean by "Tender"?
5. What is "Bin Card"?
6. What is ABC Analysis?
7. What is "Idle Time"?
8. What is "Overtime"?
9. What do you mean by "Fixed Overhead Costs"?
10. What do you mean by "Variable Overhead Costs"?

SECTION-B (5 x 5 =25)

Answer any FIVE of the following questions.

11. List out the objectives of Cost Accounting.
12. ABC Ltd has supplied you the following cost data for the product and sale of a mixture for the year ended 31st March, 1991:
Material used Rs. 25,000, wages paid Rs. 12,500, manufacturing expenses Rs. 12,500, administration expenses Rs. 25,000 and selling and distribution Rs. 37,500. Prepare a statement showing the costs.
13. Find out the economic order quantity and the number of orders per year from the following information: Monthly consumption 3000 units, Cost per unit Rs. 54, Ordering Cost Rs. 150 per order, Inventory Carrying cost 20% of the average inventory.
14. From the following information calculate the labour turnover rate:
Number of workers at the beginning of the period = 3800
Number of workers at the end of the period = 4200
During the year, 40 workers left while 160 workers are discharged. 600 workers are recruited during the year, of these 150 workers are recruited to fill up vacancies and the rest are engaged on account of an expansion scheme.
15. The following details pertain to the production department of a factory:
Material consumed Rs.60,000, Direct Wages Rs.40,000, Machine Hours 50,000, Labour Hours worked 25,000, Factory Overhead relating to the department Rs.50,000. Calculate overhead absorption rates under different possible methods from the above details.
16. List out the different methods of costing.
17. Explain EOQ.
18. List out the merits of Gantt Task and Bonus Scheme.

SECTION-C (3 x 10 =30)

Answer ALL the questions.

19. (a) Calculate machine hour rate to cover overhead expenses indicated below:

Expense	Per Hour (Rs.)	Expense	(Per Year (Rs.))
Electric Power	0.75	Rent	270
Steam	0.30	Repairs	550
Water	0.20	Running hours	2,000

Original Cost of the machine is Rs.15,000: book value Rs.3,500: Replacement value Rs. 11,500 and depreciation 10% on original cost.

(Or)

(b) Calculate the earnings of 3 workers A, B and C under 'Merrick's Multiple piece rate system', given the following:

Standard production per day = 150 units, Normal Piece rate = Re.0.50 per unit,

Production of workers on a particular day:

A = 120 units, B = 140 units and C = 160 units.

20. (a) List out the items of overhead cost and the basis to be adopted for apportionment.

(Or)

(b) Material 'A' is used as follows:

Maximum usage in a month = 600 units,

Minimum usage in a month = 400 units,

Average usage in a month = 450 units.

Lead time = Maximum 6 months, minimum 2 months.

Reorder quantity = 1,500

Maximum reorder period for emergency purchases = 1 month.

Calculate:

(a) Reorder level, (b) maximum level (c) minimum level (d) average stock level and (e) danger level.

21. (a) The accounts of a machine manufacturing company disclose the following information for six months ending 31st December 1982.

Material used Rs. 1,50,000, Direct wages Rs. 1,20,000, Factory overheads Rs. 30,000 and administrative expenses Rs. 15,000.

Prepare cost sheet for the half year and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs.1,250 and expenditure in productive wages Rs.750, so that the price might yield a profit of 20% on the selling price.

(Or)

(b) List out the Advantages of Cost accounting to the management.

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