

SECTION - A (10 x 1 = 10)

Answer ALL the Questions;

1. What is meant by cost accounting?
2. What is semi - variable cost?
3. What do you mean by material control?
4. Define "Over - time".
5. What is machine hour rate?
6. What is meant by reconciliation?
7. What is meant by work uncertified?
8. What is unit costing?
9. What is cost sheet?
10. What is normal loss?

SECTION - B (5 x 4 = 20)

Answer any FIVE Questions:

11. What are the objectives of cost accounting?
12. Explain the different methods of overheads absorption rates.
13. Distinguish between cost accounting and financial accounting.
14. Calculate maximum level, minimum level and re - order level from the following data.

Reorder quantity	1500 units
Reorder period	4 to 6 weeks
Maximum consumption	400 units per week
Normal consumption	300 units per week
Minimum consumption	250 units per week

15. Calculate the total earnings from the following data under Halsey Plan and Halsey - Weir plan.
- | | |
|---------------|-------------------|
| Standard time | 10 Hours |
| Time Taken | 8 Hours |
| Time Rate | Rs. 2.50 per hour |

16. From the following data, calculate the cost per mile of a vehicle.

Particulars	Rs.
Value of Vehicle	15,000
Road license for the year	500
Insurance charges per year	100
Garage rent per year	600
Driver's wages per month	200
Cost of petrol per litre	0.80
Miles per litre	8
Proportional charge for tyre and maintenance per mile	0.20
Estimated life	1,50,000 miles
Estimated annual mileage	6,000 miles

Ignore interest on capital.

17. Prepare a reconciliation statement from the following details.

Particulars	Rs.
Net loss as per cost accounts	3,14,800
Net loss as per financial accounts	4,32,890
Works overhead under recovered in costing	6,240
Depreciation overcharged in costing	2,600
Interest on investments	17,500
Administrative overheads over recovered in costing	2,600
Goodwill written off	92,000
Stores adjustment in financial books (Cr)	950
Depreciation of stock charged in financial book	13,500

- 18 The following cost data are available from the books for the year ended 31.12.2017.

Particulars	Rs.
Direct materials	3,00,000
Direct wages	7,50,000
Profit	6,09,000
Selling & distribution overheads	5,25,000
Administrative overheads	4,20,000
Factory overheads	4,50,000

Prepare a cost sheet indicating the prime cost, work cost, production cost, cost of sales and sales value.

SECTION - C (3 x 15 = 45)

Answer any THREE Questions:

19. Explain the different methods of costing.
 20. Explain the causes for labour turnover.
 21. In a factory, there are two service departments P and Q and three production departments A, B and C. In April, the departmental expenses were:
- | | | | |
|---|--------------|---|--------------|
| A | Rs. 6,50,000 | P | Rs. 1,20,000 |
| B | Rs. 6,00,000 | Q | Rs. 1,00,000 |
| C | Rs. 5,00,000 | | |

The service department expenses are allotted on a percentage basis as follows:

Service Department	Production Department			Service Department	
	A	B	C	P	Q
P	30%	40%	15%	-	15%
Q	40%	30%	25%	5%	-

Prepare a statement showing the distribution of the two service department expenses to three departments under the "Repeated Distribution Method".

22. The following information relates to building contract for Rs. 10,00,000 and for which 80% of the value of work - in - progress as certified by the architect is being paid by the contractee.

	I Year Rs.	II Year Rs.	III Year Rs.
Material issued	1,20,000	1,45,000	84,000
Direct wages	1,10,000	1,55,000	1,10,000
Direct expenses	5,000	17,000	6,000
Indirect expenses	2,000	2,600	500
Work certified	2,35,000	7,50,000	10,00,000
Uncertified work	3,000	8,000	---
Plant issued	14,000	Nil	---
Material on site	2,000	5,000	8,000

The value of the plant at the end of I, II and III year was Rs. 11,200 Rs. 7,000 and Rs. 3,000 respectively. Prepare contract account, for these three years, taking into account such profit as you think proper on incomplete contract.

23. The product of Vijay industries passes through three distinct processes - A, B and C. It is ascertained that the normal loss in process will be: A - 2%; B - 4%; C - 10%. In each case, the percentage of loss is computed on the number of units entering the process concerned. The loss of each process has a scrap value. The loss of process A, B and C is sold at Re.1, Rs. 2 and Rs. 3 respectively.

Particulars	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Materials	6,000	4,000	9,000
Direct labour	8,000	6,000	3,000
Manufacturing expenses	1,520	2,246	1,870

2000 units have been issued to process A at a cost of Rs. 10,000. The output of each process has been as under:

Process A - 1,950; Process B - 1,900; Process C - 1,600. There is no work - in - progress in any process. Prepare Process Accounts.

