

END OF SEMESTER EXAMINATIONS, NOVEMBER - 2017

COST ACCOUNTING

SUBJECT CODE: 12UACO15/15UAPA17

MAJOR: B.Com. / B.Com.(C.A) / B.Com.(P.A)
TIME : 3 HOURSSEMESTER : V
MAX. MARKS: 75SECTION - A (10 X 1 = 10)Answer ALL the Questions:

1. Define Sunk Cost.
2. Write a note on Job Costing.
3. What is the formula for Rowan Plan?
4. Define Overtime.
5. Define Overhead Absorption.
6. Write a note on 'Fixed Overhead Costs'.
7. What is meant by Transport Costing? .
8. State the meaning of Sub-Contract Costs.
9. Define Abnormal Loss.
10. How to calculate Abnormal Gain in Units?

SECTION - B (5 X 4 = 20)Answer Any FIVE Questions:

11. Mention the limitations of cost accounting.
12. Write short notes on, a) Cost b) Costing c) Cost accounting d) Cost accountancy.
13. Calculate Maximum Level, Minimum Level and Re-ordering Level from the following data:

Re-order Quantity	1500 units
Re-order period	4 to 6 weeks
Maximum Consumption	400 units per week
Normal Consumption	300 units per week
Minimum Consumption	250 units per week

14. Calculate the earnings of a worker under a) Halsey plan and b) Rowan plan.

Time allowed 48 hours

Time taken 40 hours

Rate per hour Re. 1

15. A company has three production departments and two service departments. Distribution summary of overheads is as follows:

Production Departments

A	Rs.13,600
B	Rs.14,700
C	Rs.12,800

Service Departments

X	Rs.9,000
Y	Rs.3,000

The expenses of service departments are charged on a percentage basis which is as follows:

	A	B	C	X	Y
'X' Department	40%	30%	20%	-	10%
'Y' Department	30%	30%	20%	20%	-

Apportion the cost of Service Departments by using the Repeated Distribution Method.

16. Following is a schedule of expenses incurred during three months ending on 31st March 2017 in XYZ Ltd.:

	Rs.
Direct materials	1,89,000
Labour Cost	1,90,000
Direct expenses	51,000
Overheads:	
Fixed	62,000
Variable @ Rs.40 per unit	48,000
	1,10,000
Sales @ Rs.500 per unit	6,00,000
Unit produced: 1200 units	

Find out: i) Total cost of production, ii) Percentage of profit on sale.

17. Explain the various features of unit costing.

18. The cost of production of 100 units consisting of materials Rs.5,000, labour Rs.3,000, and overheads Rs.688. The normal wastage is 4%. Show the Process account.

SECTION – C (3 X 15 = 45)

Answer Any THREE Questions:

19. Explain the various advantages of cost accounting.
 20. Briefly explain the causes for labour turnover.
 21. A company's Trading and Profit and Loss Account was as follows:

Particulars	Rs.	Particulars	Rs.
To Purchases	25,210	By Sales: 50000 Units at Rs.1.50 each	75,000
To Direct wages	10,500	By Discount received	260
To Works expenses	12,130	By Profit on sale of land	2,340
To Selling expenses	7,100	By Closing stock	4,080
To Administrative expenses	5,340		
To Depreciation	1,100		
To Net profit	20,300		
	81,680		81,680

The profit as per cost accounts was only Rs.19,770. Reconcile the financial and cost profits using the following information:

- a) Cost accounts value of closing stock Rs.4,280.
 b) The Works expenses in the accounts were taken as 100% of direct wages.
 c) Selling and administration expenses were charged in the cost accounts at 10% of sales and Re.0.10 per unit respectively.
 d) Depreciation in the cost accounts was Rs.800.

22. From the following data calculate the cost per running kilometer of a vehicle.

Value of vehicle	Rs.4,50,000
Road license fee per year	Rs.1,500
Insurance charges per year	Rs.300
Garage rent for the year	Rs.1,800
Drivers wages per month	Rs.400
Cost of petrol per liter	Rs.18
Kilometer per liter	8 kms.
Proportionate charges for tyres and maintenance per kilometer	Re.0.30
Estimated life	150000 kms.
Estimated annual kilometers	6000 kms.

23. M/s. Indu Industries Ltd., are the manufacturers of Moonlight Torches. The following data relate to manufacture of torches during the month of March 1991.

Raw materials consumed	Rs.20,000
Direct wages	Rs.12,000
Machine hours worked	9500 hours
Machine hour rate	Rs.2
Office overheads	20% of works cost
Selling overheads	50 paise per unit
Units produced	20000 units
Units sold	18000 @ Rs.5 per unit.

Prepare Cost Sheet showing the cost and the profit per unit and the total profit earned.
