

END OF SEMESTER EXAMINATIONS, APRIL/MAY - 2018

COST ACCOUNTING

SUBJECT CODE: 12UAC015/15UAP017

MAJOR : B.Com / B.Com. CA / B.Com. PA

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SEMESTER : V
MAX. MARKS: 75**SECTION - A (10 X 1 = 10)****Answer All Questions:**

1. Define the term Costing
2. What is Opportunity Cost?
3. What is meant by Ordering Cost?
4. Expand - LIFO.
5. What do you mean by overheads?
6. What is a Secondary Distribution Overhead?
7. What is Unit Costing?
8. Define Contract Costing.
9. What is Process Costing?
10. What do you mean by Wastage?

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

11. Explain the objectives of cost accounting.
12. Enumerate the techniques and types of costing.
13. What are the duties of purchase manager?
14. Given the annual consumption of a material is 1800 units, ordering costs are Rs.2 per order, price per unit of material is 32 paise and storage costs are 25% per annum of stock value. Find the EOQ.
15. Ascertain the profits as per financial book from the following information:

	Rs.
Profit as per cost accounts	25,000
Closing stock over valued in cost books	12,500
Preliminary expenses written off	3,000
Profit on sale of building	30,000
Administrative expenses over recovered in cost books	50,375
Works overhead under recovered in cost books	30,375
Bank interest and transfer fee in financial books	5,000
Interest on investment recorded in financial books	10,000
Depreciation shown excess in cost books	4,000
Provision made for income tax	40,000
16. A transport service company is running four buses between two towns which are 50 kms. apart. Seating capacity of each bus is 40 passengers. Actual passengers carried were 75% of the seating capacity. All the four buses ran on all the days of the month of April, 2001. Each bus made one round trip per day. Calculate the total kms. and total passengers. for the month.
17. During the year 1998, XYZ Ltd., produced 50000 units of a product. The following were the expenses:

	Rs.
Stock of raw materials on 1.1.98	10,000
Stock of raw materials on 31.12.98	20,000
Purchases	1,60,000
Direct Wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a Cost Sheet showing cost per unit and total cost at each stage.
18. A batch of 600 units was introduced in a process at Rs.20 per unit. 500 units were completed and transferred to the finished goods stores. The normal process loss was 20% of the input, and the scrap is normally sold to a contractor at Rs.3 each. The labour and overhead expenditure, incurred in the process amounted to Rs.600. You are required to show the Process and Abnormal Gain Accounts.

SECTION - C (3 X 15 = 45)**Answer Any THREE Questions:**

19. Distinguish between Financial Accounting and Cost Accounting.
20. Calculate the earnings of workers X and Y under (a) Straight piece rate system and (b) Taylor's differential piece rate system from the following details:
Standard time per unit = 12 minutes
Standard rate per hour = Rs.60
Differentials to be used 80% and 120%
In a particular day of 8 hours, worker 'X' produced 30 units and worker 'Y' produced 50 units.
21. What are the bases used for apportionment of overheads?
22. The following was the expenses on contract for Rs.12,00,000 commenced in Jan. 1997:

Materials	Rs.2,40,000
Wages	Rs.3,28,000
Plant	Rs. 40,000
Overhead	Rs. 17,200

Cash received on account of contract to 31.12.1997 was Rs.480000 being 80% of work certified. Value of materials in hand was Rs.20000. Plant had undergone 20% depreciation. Prepare Contract Account.
23. A product passes through two processes and then to finished stock. The normal wastage of each process is as follows:
Process 'A' 3% and Process 'B' 5%.
The wastage of process 'A' was sold @ Rs.5 per unit and that of process 'B' at Rs.10 per unit. 20000 units were introduced into process 'A' at the beginning of January 1998 at a cost at Rs.40 per unit.
Other expenses were as under:

	Process 'A'	Process 'B'
	Rs.	Rs.
Sundry materials	40,000	60,000
Wages	2,00,000	3,20,000
Manufacturing expenses	30,000	28,500

The output of process 'A' was 19000 units and that of process 'B' 18200 units. Prepare the Process Accounts.
