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BCMCMC 211

**III Semester B.Com. Degree Examination,
October/November 2019**

(Credit Based Semester Scheme)

(Common to all Batches)

COMMERCE

Shri Dharmasthata Manjunatheshwara
College of Business Management Library
MANGALORE - 575 003

Cost and Management Accounting — I

Time : 3 Hours]

[Max. Marks : 120

Instructions : Provide working notes wherever necessary.

SECTION - A

Answer **any four** of the following :

(4 × 6 = 24)

1. What are the advantages of cost accounting system to workers?
2. Classify the 'Cost' on the basis of their functions.
3. What is idle time? State the causes for idle time.
4. From the following information, find out EOQ.

Yearly consumption 800 units, Cost per unit Re. 0.30, Buying cost per order Rs. 7.00 and Warehouse charges of inventory 15%.

5. A firm purchased a raw material Z from Rituparna Ltd. Quantity purchased 4500 kgs at Rs. 20 per kg. Company allows a Trade discount of 10%. Freight charges Rs. 2 per kg., Inspection charges Re. 0.10 per kg., Unloading charges 15 paise per kg. Calculate the purchase price of Material Z.

6. From the following information, calculate the earnings of Azad, Bhagath, Rajguru and Sukhdev under Taylor's differential Piece Rate System.

The working hours in a week consisted of 48 hours.

Standard output: 4 units per hour

Time rate: Rs. 32 per hour

Actual output: Azad - 180 units, Bhagath - 195 units, Rajguru - 192 units, Sukhdev - 204 units.



SECTION - B

Answer **any four** of the following :

(4 × 12 = 48)

7. Explain different Methods of Costing.
8. What is centralized purchasing? Explain the merits and demerits.
9. Prepare estimated cost sheet from the following data:

Estimated material Rs. 48,000, Estimated labour cost Rs. 54,000. It is estimated that the factory overhead will be 100% of direct wages. Administrative overhead will be 50% of works cost, selling and distribution overhead will be 10% on cost of production. The expected profit will be 33.33% on the sales.

10. The following information regarding receipt and issues of pigments has been extracted from the stores records of Saifuddin Ltd., for Aug. 2019.
2019 Aug.

1	Opening stock of pigments	7500 kgs.
2	Issued on requisition No. 1	3900 kgs.
3	Issued on requisition No. 2	600 kgs.
5	Receipts from a supplier by GR No. 31	9000 kgs.
7	Issued on requisition No. 3	3000 kgs
9	Issued on requisition No. 4	1500 kgs.
16	Receipts from a supplier by GR No. 84	3000 kgs.
17	Issued on requisition No. 5	1350 kgs.

Examination by the stock verifier on 6th morning revealed a shortage of 150 kgs. Maximum limit was 15000 kgs. Minimum limit was 2400 kgs. Ordering level was 2500 kgs.

Prepare BIN Card No. 15 for the item 'pigment' for which symbol allotted is XA-81.



11. Using the following information, calculate maximum, minimum, re-order and average stock level :

Normal usage: 50 units per week, Minimum usage: 25 units per week, Maximum usage: 75 units per week, Re-order quantity: 300 units per week. Re-order period: 4-6 weeks.

12. Mr. Udham Singh takes 6 hours to complete a job under a scheme of payment by results. Standard time allowed for the job is 9 hours. His wage rate is Rs. 60 per hour. Material cost of the job is Rs. 640 and overheads are recovered at 200% of total direct wages. Calculate factory cost of the job under Rowan and Halsey premium plans.

SECTION - C

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(2 × 24 = 48)

Answer **any two** of the following :

13. The following details are available from the books of Mr. Namo Ltd. for the year ending 31.12.2018.

	Rs.
Direct wages	6,00,000
Purchase of raw materials	7,20,000
Wages of Foreman and store keeper	48,000
Other indirect wages	6,000
Cost of research and experiments	30,000
Office manager salary	72,000
Employees State Insurance	6,000
Power, Fuel and Haulage	54,000
Drawing office expenses	36,000
Printing and Stationery	12,000
Counting House Salary	12,000
Other materials	36,000

BCMCMC 211

* Carriage inwards	8,640
Sales	18,00,000
Stock on 01.01.2018:	
Raw materials	1,20,000
Working progress	28,800
Finished products (units) 6000	
Stock on 31.12.2018:	
Raw materials	1,33,440
Working progress	96,000
Finished products (units) 12000	
Income tax	22,000
Donations	5,000

Selling and distribution expenses are to be charged at Re. 1 per unit. During the year 96000 units were produced.

Prepare a cost sheet showing the different elements of cost and the profit.

14. The following is an extract of the record of receipts and issues of a chemical during August 2019. On August 1, 2019, opening balance was 300 units at Rs. 20 per unit.

- August 3 Issued 150 units
- 4 Issued 100 units
- 6 Ordered for 250 units with buyer at Rs. 19 per unit
- 10 Received from supplier 200 units at Rs. 19 per unit
- 12 Freight paid on purchase made on 10th August Rs. 100
- 14 Issued 65 units

- 16 Returned to stores 50 units issued on 4th August
- 17 Transferred 30 units from Job 'M' to Job 'N'
- 20 Received from supplier 240 units at Rs. 22 per unit
- 24 Returned to supplier 20 units out of purchase of 20 August
- 25 Purchase 100 units at Rs. 24 per unit
- 26 Issues 180 units

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On August 14 returned from manufacturing department to stores 15 units. Stock verification on 18 August revealed a shortage of 10 units and on 31 August showed an excess of 5 units. Write up stores ledger account of Ratandevi Ltd., on FIFO.

15. Mr. Sathyapal Mallik, an electronic computer manufacturer desired to quote for a contract for the supply of 500 computers for the year 2019. From the following data prepare a statement showing the price to be quoted to give the same percentage of profit on sales as was realized during the year 2018.

	Rs.
Stock of raw materials on 01.01.2018	5,00,000
Stock of raw materials on 31.12.2018	70,000
Purchase of raw materials	7,50,000
Factory wages	15,00,000
Indirect wages	2,50,000
Sales	27,00,000
Completed stock on 01.01.2018	Nil
Completed stock on 31.12.2018	5,00,000