

Reg. No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

BCMCMCN 303

**III Semester B.Com. Degree Examination, December 2024/January 2025
(NEP – 2020) (2022 – 23 Batch Onwards)
COST ACCOUNTING – 1**

Time : 2 Hours

Max. Marks : 60

SECTION – A

I. Answer **any five** of the following questions :

(5×2=10)

- 1) Define cost accounting ?
- 2) Define cost centre ?
- 3) What is bin card ?
- 4) What is idle time ?
- 5) What is time keeping ?
- 6) How do you treat the following items while preparing cost sheet ?
 - a) Drawing office salary
 - b) Haulage
 - c) Chargeable expenses
 - d) Counting House salary.
- 7) Calculate EOQ from the following Annual requirement 18,000 units, order placing cost Rs. 400 cost of carrying one unit of inventory for one year is Rs.10.
- 8) Power bill for the month is Rs. 12,000, 10 units is required per hour at a cost of Rs. 6 per units. Calculate machine hours.



SECTION – B

II. Answer **any four** of the following questions :

(4×5=20)

9) The following information has been taken from factory :

Materials	5,00,000
Direct wages	4,00,000
Factory overhead	3,00,000
Office overhead	2,00,000

You are required to prepare a statement showing the selling price of the machine costing Rs. 42,000 in material and Rs. 30,000 in wages so that it yields a profit of 25% on the selling price. Factory overhead are absorbed as a percentage on the direct wages and office overheads as a percentage on works cost.

P.T.O.



- 10) Cost of ordering is Rs. 240. Carrying cost of inventory is estimated to be Rs. 0.05 per month per unit. The demand for the material is 250 per month. Calculate the Economic Order Quantity.
- 11) Calculate the earnings of the workers under Taylors plan Time rate per hour Rs. 30. Standard output per hour 6 units. Differential rates are : low piece rate 80% of normal piece and high piece rate at 120% of normal piece rate. In a day of 6 hours. Bharath produced 34 units, Bhoja-45 units and Govinda-48 units.

- 12) Compute the machine hours rate from the following details :

Rent of the department (Space occupied by the machine is 1/4 of the department)	6,000 p.a.
Lighting (Total light points in the department is 15 out of which 3 are for this machine)	2,000 p.a.
Salary of supervisor (1/3 of his time occupied by this machine)	24,000 p.a.
Insurance	600 p.a.



Machine was purchased for Rs. 50,000 and scrap value is Rs. 4,000. Its estimated working life is 10 years. Machine runs 2300 hours p.a. and requires Rs. 17,250 expenditure towards repairs throughout its life. Its consumes 5 units of power per hour at a cost of Rs. 4 per unit.

- 13) Prepare a reconciliation statement from the following data :

Net profit as per cost account	3,12,900
Working overhead under recovered in cost account	6,400
Depreciation overcharged in cost account	3,200
Administration overhead recovered in excess	5,400
Interest on investment	20,000
Goodwill written off	12,000
Income tax paid	96,000
Store ledger adjustment a/c (Credit in financial book)	1,300
Depreciation of stock charged in financial book	15,600

- 14) Explain the different methods of costing.



SECTION – C

III. Answer **any two** of the following questions :

(2×15=30)

15) Following particulars are available in respect of product XP for the year ending 31st December 2023.

Stock on	1-1-2023	31-12-2023
Raw materials	40,000	44,480
Finished goods (units)	2,000	4,000
Work in progress	9,600	32,000
Purchase of raw materials		2,40,000
Indirect materials		12,000
Works manager's salary		16,000
Direct wages		2,00,000
Carriage inward		2,880
Printing and stationary		4,000
Indirect wages		2,000
Office salary		24,000
Research and experiment cost		10,000
Counting house salary		4,000
Other factory expenses		22,000
Sales		6,00,000



Advertising, discount allowed and selling cost is Rs. 2 per unit. Total units produced is 32,000.

Prepare a cost sheet and show the cost and profit per unit of product XP.

16) The following is an extract of the record of receipts and issue of chemical during 2023.

March-1 Opening balance 300 units at Rs. 20 per unit

March-3 Issue 150 units

March-4 Issue 100 units

March-10 Received from suppliers 200 units at Rs. 19 per units

March-16 Issue 65 units

March-20 Received from suppliers 240 units at Rs. 22 per units

March-24 Returned to suppliers 20 units out of purchase of 20th March

March-25 Purchases 100 units at Rs. 34 per units

March-26 Issue 180 units

On 14th March received from production department to stores 15 units. Stock verification on 18th March showed an excess quantity of 5 units. Write a store ledger account on FIFO.



17) Radha Ltd. has furnished you the following information from the financial books for the year ended 31-3-2024.

Trading and Profit & Loss A/c

Particulars	Debtors (Rs.)	Particulars	Creditors (Rs.)
To opening stock (500 units @ Rs. 35 each)	17,500	By sales (10,250 units)	7,17,500
To materials used	2,60,000	By closing stock (250 units @ Rs. 50 each)	12,500
To direct wages	1,50,000		
To gross profit	3,02,500		
	7,30,000		7,30,000
To factory overheads	94,750	By Gross profit	3,02,500
To administrative overheads	1,06,000	By Interest	250
To selling expenses	55,000	By Rent	10,000
To bad debts	4,000		
To preliminary expenses	5,000		
To net profit	48,000		
	3,12,750		3,12,750



The cost sheet shows that factory overheads are absorbed at 60% labour cost and administrative overheads at 20% of factory cost. Selling expenses are charged at Rs. 6 per unit. The opening stock of finished goods is valued at Rs. 45 per unit.

Prepare the statement of cost and Reconciliation statement.

18) In a factory, there are three production departments (A,B and C) and two service department (D and E). The following figures are for the July-2023.

Rent of the building	10,000	Power	15,000		
Lighting	6,000	Depreciation of machine	8,000		
Indirect wages	1,500	Sundries	10,000		
Supervision charges	6,000	Amenities to staff	8,000		
Particulars	A	B	C	D	E
Floor area (Sq.Feet)	2,000	1,000	3,000	2,000	2,000
Light points	20	30	10	30	30
Direct wages	30,000	40,000	10,000	25,000	25,000
H.P. of machine	3	3	4	3	2
Value of machine	20,000	30,000	10,000	10,000	-
Number of workers	20	30	25	25	20

The expenses of D and E are to be collected as following.

	A	B	C	D	E
D.	20%	30%	40%	-	10%
E.	40%	20%	30%	10%	-

Prepare primary distribution summary and secondary distribution summary under repeated distributions method.