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BCMCMC 211

**Credit Based III Semester B.Com. Degree Examination, Oct./Nov. 2017
(2015-16 Batch Onwards)**

COMMERCE

Cost and Management Accounting – I

Time : 3 Hours

Max. Marks : 120

SECTION – A

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

(4×6=24)

1. Define Cost Accounting. Narrate the scope of Cost Accounting.
2. Classify the costs on the basis of their functions.
3. What are the advantages of Centralised Stores ?
4. Calculate Economic Ordering Quantity from the following data.

Monthly usage : 250 units

Cost of material per unit : Rs. 50

Cost of placing and receiving one order : Rs. 30

Annual carrying cost of inventory : 5% of inventory value.

5. A consignment of mixed grades of raw material was bought for Rs. 80,000. Further they were sorted on the basis of their market price as follows :
A – 6000 units at Rs. 8/- per unit.
B – 4000 units at Rs. 6/- per unit.
C – 7000 units at Rs. 4/- per unit.

All the above grades yield the same percentage of profit. Calculate their purchase rates.

P.T.O.



6. Calculate the earnings of Ananth and Sumanth under Taylor's differential piece rate system using the following information.

Standard production : 20 units per hour

Normal time rate : 50 per hour

Differentials to be applied are :

80% of the normal piece rate when the efficiency is below standard and 120% of the normal piece rate when the efficiency is at or above standard.

In a day of 8 hours Ananth produced 150 units and Sumanth produced 180 units.

SECTION – B

Answer **any four** of the following questions : **(4×12=48)**

- 7. What is decentralised purchasing ? State its advantages and limitations.
- 8. Enumerate the essentials of a good wage plan.
- 9. Prepare a Bin Card from the details given below for the month of September 2016.

2016

Sept.	1	Opening balance	3000 units
	2	Issued MRN No. 50	1750 units
	5	Purchased GRN No. 100	5000 units
	7	Issued MRN No. 51	4000 units
	8	Received GRN No. 101	8000 units
	10	Issued MRN No. 52	9000 units
	18	Returned to stores	250 units

20	Purchased GRN No. 102	2500 units
25	Returned to vendor	2000 units
27	Issued MRN No. 53	1000 units
30	Purchased GRN No. 103	3000 units

On the 15th and 28th September, the stock verification office found a shortage of 100 and 200 units respectively.

For BIN No. 35 code number is AX – 53, Maximum level 5000 units, Minimum level 2000 units, reorder level 3000 units and Re-order quantity 4000 units.

10. Two component A1 and A2 are used as follows :

Average usage – 300 units per week each.

Maximum usage – 450 units per week each.

Minimum usage – 150 units per week each.

Re-order quantity – A1 : 2400 units, A2 : 3600 units.

Re-order period – A1 : 4 to 6 weeks, A2 : 2 to 4 weeks.

Calculate for each component,

- Re-order level
- Minimum level
- Maximum level
- Average stock level

11. Standard output of a product has been fixed at 24 units in day of 8 hours. The normal wage per day is Rs. 24. Tabulate the total wages including bonus payable under (a) Time Rate, (b) Piece Rate (c) Halsey and (d) Rowan system of wage payment, when the outputs are 20, 32 and 48 units per day. Also calculate labour cost per unit.



12. From the following transactions, prepare Stores Ledger Account, pricing the issues at weighted average price system.

2016

March	1	Opening balance 100 units at Rs. 10/- per unit
	2	Issued 25 units to Dept. A
	7	Received 425 units at Rs. 11/- per unit
	10	Issued 200 units to Dept. B
	12	Returned to stores 10 units from Dept. A
	15	Returned to supplier 20 units out of the quantity received on 7 th
	17	Received 110 units at Rs. 12.50 per unit
	25	Received 100 units at Rs. 10/- per unit
	29	Issued 200 units to Dept. B
	30	Received 100 units at Rs. 11/- per unit

Note : Average cost to be calculated to two decimal places of a rupee.

SECTION – C

Answer **any two** of the following questions : (2×24=48)

13. In respect of a factory the figures have been obtained for the year 2016.

	Rs.
Cost of Materials	2,00,000
Wages	1,50,000
Factory overhead	1,20,000
Office overhead	1,48,000
Selling overhead	1,12,000
Distribution overhead	80,000
Profit	2,50,000

A workorder has been executed in 2017 and the following expenses have been incurred :

Materials Rs. 24,000 and wages Rs. 22,500. Assuming that in 2017 factory charges have been increased by 12%. Distribution charges have gone down by 10% and selling and office overhead have each gone up by 15%, at what price should the product be sold so as to earn the same rate of profit on the selling price as in 2016 ?

Factory overheads are based on direct wages, while all the overheads are based on factory cost.



14. What is labour turnover ? State the causes of labour turnover and by what measures do you reduce excessive labour turnover ?

15. From the following particulars pertaining to material 'VX'. Prepare a Stores Ledger Card using FIFO method of pricing out issues.

2016, Feb. 1 opening balance 600 units at Rs. 40 per unit.

Receipts

Date	Quantity (units)	Rate (Rs.)	GRN No.
Feb. 10	400	38	446
20	480	44	447
25	200	48	449
27	225	51	451

Issues

Date	Quantity (units)	MRN No.	Dept.
Feb. 6	500	617	A
16	130	620	B
26	360	716	Y
29	217	728	X

Additional information :

Feb. 14 received back from A 30 units.

Feb. 18 shortage of 20 units as per stock verification.



16. The following particulars are obtained from the books of Krishna Co. Ltd. for the year ended 31-12-2016.

Particulars	Rs.
Purchase of raw materials	42,500
Direct wages	32,500
Motive power	2,000
Unproductive wages	3,000
Loose tools written off	250
Chargeable expenses	2,500
Duty on purchases	250
Reserve for bad debts	1,600
Bad debts	500
Telephone charges	200
Works stationery	750
Material sold	250
Scrap sold – material	100
Sale of scrap (factory)	150
Loss of material by fire	800
Carriage inwards	400
Debt collection charges	230
Carriage outwards	100
Loss on sale of furniture	1,000
Office expenses	4,800
Show room rent	400
Welfare services	1,000
Haulage	325



Water supply	125
Estimating expenses	625
Rectification cost of defectives	75
Samples and free gifts	550
Upkeep of delivery vans	400
Commission on sales	625
Warehouse rent	445

Stock	On 1-1-2016	On 31-12-2016
	(Rs.)	(Rs.)
Materials	5,500	1,500
Work-in-progress	7,500	5,500
Finished goods (Value)	27,000	-
Finished goods (units)	1,500	500

6000 units are sold at Rs. 40/- per unit. Prepare a Cost Sheet showing the components of cost per unit and also calculate the profit.
