



48A
IV Semester B.Com. Examination, May 2016
(Semester Scheme)
(Repeaters) (2013-14 and Onwards)
COMMERCE
Paper – 4.4 : Cost Accounting

Time : 3 Hours

Max. Marks : 100

Instruction : Answer should be written completely either in **Kannada** or **English**.

SECTION – A

Answer **any ten** sub-questions. **Each** question carries **2** marks : **(10×2=20)**

1. a) What is indirect cost ?
- b) What is bin card ?
- c) Write any four items of selling and distribution overheads.
- d) What is material requisition ?
- e) What is cost unit ?
- f) What do you mean by labour turnover ?
- g) Under what circumstance of price do you prefer the use of FIFO method.
- h) Mention different methods of time-keeping.
- i) Mention any 2 advantages of installing a costing system.
- j) What is meant by overtime ?
- k) What are semi-variable overheads ?
- l) What is reconciliation statement ?

SECTION – B

Answer **any four** questions. **Each** question carries **8** marks : **(4×8=32)**

2. State the causes for difference in profits as per cost accounts and financial accounts.
3. Standard time allowed to complete a job is 40 hours, hourly rate is ₹ 30. Worker 'X' completes the job in 40 hours and worker 'Y' completes in 35 hours. Calculate the earnings of the workers under Halsey and Rowan plans.



4. Calculate :
- Re-order level
 - Minimum level
 - Maximum level and
 - Average level from the following :
 - Maximum usage – 600 units per week
 - Minimum usage – 400 units per week
 - Normal usage – 450 units per week
 - Re-order Quantity – 2,400 units
 - Re-order period – 4 – 6 weeks
5. What are the essentials of a good wage plan ?
6. From the following figures, prepare a cost sheet showing the cost per unit and profit for the period :
- Raw Materials Consumed – ₹ 40,000
 - Direct wages – ₹ 24,000
 - Machine hours worked – 4,000
 - Machine Hour Rate – ₹ 2
 - Office Overheads – 10% of factory cost
 - Selling overheads – ₹ 1.50 per unit
 - Units produced – 2,000
 - Units sold – 1,800 @ ₹ 50 each.

SECTION – C

Answer **any three** questions. **Each** question carries **16** marks :

(3×16=48)

7. The following data is furnished by a company for the year 2014 :

	₹
Stock of Materials on 1-1-2014	70,000
Stock of Materials on 31-12-2014	10,000
Purchases of Materials	1,00,000
Wages	2,00,000



Factory overheads	40,000
Administration overheads	40,000
Closing stock of finished goods	40,000
Sales	5,00,000

Production during 2014 5,000 units

The company wants to quote for a contract for the supply of 1,000 units during the year 2015. The cost of materials is expected to increase by 15% and wages by 10%. Prepare a statement of cost for the year 2014 and a tender statement for 2015 showing the price to be quoted per unit, if the same % of profit is maintained as in the previous year.

8. From the following figures, prepare a reconciliation statement and find out profit as per financial accounts :

a) Net profit as per cost accounts	– ₹ 3,44,800.
b) Works overheads under recovered	– ₹ 6,240
c) Administration overheads recovered in excess	– ₹ 3,400
d) Depreciation charged in Financial Accounts	– ₹ 22,400
e) Depreciation recovered in cost accounts	– ₹ 25,000
f) Obsolescence loss charged in financial books	– ₹ 11,400
g) Stores adjustment (credit) in financial books	– ₹ 950
h) Income Tax provided in financial books	– ₹ 80,600
i) Depreciation of stock charged in financial books	– ₹ 13,500
j) Bank interest and transfer fee credited in financial books	– ₹ 1,500.

9. From the following data, prepare stores ledger account using LIFO and weighted average price method of pricing material issues :

1st Dec., 2014 – Opening stock 400 units @ ₹ 8 p.u.

5th Dec., 2014 – Received 800 units @ ₹ 7.80 p.u.

8th Dec., 2014 – Issued to production department 480 units



10th Dec., 2014 – Received 1,000 units @ ₹ 7.70 p.u.

12th Dec., 2014 – Issued 320 units

15th Dec., 2014 – Issued 800 units

16th Dec., 2014 – Received 500 units @ ₹ 7.50 p.u.

19th Dec., 2014 – Received 1,200 units @ ₹ 7 p.u.

21st Dec., 2014 – Issued 700 units

24th Dec., 2014 – Issued 520 units

27th Dec., 2014 – Issued 680 units

28th Dec., 2014 – Refund of surplus 50 units issued on 12th Dec.2014

On 30th Dec., 2014, the stock verification report revealed a shortage of 20 units.

10. X Co. is having 3 production departments 'A', 'B' and 'C' and 1 service department 'D'. The actual costs for a period are :

Rent – ₹ 20,000 ; Supervision – ₹ 30,000 ; Repairs – ₹ 12,000 ; Insurance on Materials – ₹ 10,000 ; Depreciation – ₹ 9,000 ; Employees insurance – ₹ 3,000 ; Lighting – ₹ 2,000 and power – ₹ 18,000.

Following data is also available :

Particulars	A	B	C	D
Area in sq.ft	150	110	90	50
No.of workers	24	16	12	8
Total wages (in ₹)	8,000	6,000	4,000	2,000
Value of plant (in ₹)	24,000	18,000	12,000	6,000
Value of stock(in ₹)	15,000	9,000	6,000	—

Apportion the cost to various departments on the most equitable basis and service department cost to production departments in 4 : 4 : 2 ratio.