



SM – 488

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IV Semester B.Com. Examination, May/June 2018
(Semester Scheme) (Repeaters) (2013-14 and Onwards)
COMMERCE

Paper : 4.4 : Cost Accounting

Time : 3 Hours

Max. Marks : 100

Instruction : Answers 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) Define costing.
- b) What are the objectives of Cost Accounting ?
- c) What is Idle Time ?
- d) State the three elements of cost.
- e) What is Labour Turnover ?
- f) What is Reconciliation Statement ?
- g) What is Bin-card ?
- h) Define over heads.
- i) Define Time keeping.
- j) What is variable overheads ? Give two examples.
- k) What is national cost ? Give an example.
- l) What is just-in-time ?



SECTION – B

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

2. Briefly state the difference between Cost Accounting and Financial Accounting.

3. ABC Ltd. requires 1500 units of a material per month costing ₹ 27 per unit. Cost per order is ₹ 150 and the inventory carrying cost works out to 20% of the average inventory.

Find out EOQ and the number of orders to be placed in a year.

P.T.O.



4. Following transactions relates to the Receipts and Issue of material 'X'.

Receipts :

3-4-2018	500 units @ ₹ 4.00 per unit
13-4-2018	900 units @ ₹ 4.30 per unit
23-4-2018	600 units @ ₹ 3.80 per unit

Issues :

5-4-2018	400 units
15-4-2018	400 units
25-4-2018	600 units

Prepare Stores Ledger under Weighted Average Method.

5. 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 – 2400 units

Re-order period – 4-6 weeks

6. 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 plan and
- Rowan plan.

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 2017

Stock of Materials on 1-1-2017	₹ 70,000
Stock of material on 31-12-2017	10,000



Purchase 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 2017 – 5000 units.

The company wants to quote for a contract for the supply of 1,000 units during the year 2018. The cost of materials is expected to increase by 15% and wages by 10%. Prepare statement of cost for the year 2017 and a tender statement for 2018 showing the price to be quoted per unit, if the same % of profit is maintained as in the previous year.

8. From the following prepare a Reconciliation Statement calculate the net profit as per financial accounts :

	₹
a) Net Profits as per costing records	1,72,400
b) Works overheads under recovered in costing	3,120
c) Administrative overheads recovered in excess	1,700
d) Depreciation charged in Financial record	11,000
e) Interest received but not included in costing	8,000
f) Obsolescence plant loss charged in financial records	5,700
g) Income tax provided in financial books	40,300
h) Bank interest credited in financial books	750
i) Stores Adjustment credited in financial books	475
j) Depreciation of Stock charged in financial books	6,750
k) Depreciation recovered in costing	12,300



9. The following purchases have been extracted in respect of material 'X'. Prepare Stores Ledger Account under LIFO method of pricing of material issues.

Receipts :

3-4-2018	purchased	500 units @ ₹ 4 per unit
4-4-2018	purchased	100 units @ ₹ 4.20 per unit
10-4-2018	purchased	50 units @ ₹ 4.25 per unit
13-4-2018	purchased	800 units @ ₹ 4.30 per unit
23-4-2018	purchased	850 units @ ₹ 3.80 per unit

Issues :

5-4-2018	Issued	400 units
10-4-2018	Issued	50 units
15-4-2018	Issued	900 units
25-4-2018	Issued	450 units

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

	₹
Rent	20,000
Supervision	30,000
Repairs	12,000
Lighting	2,000
Insurance on materials	10,000
Depreciation	9,000
Employees Insurance	3,000
Power	18,000

The particulars related with four departments is as follows :

Particulars	A	B	C	D
Area in sq. feet	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.