

FOURTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL/MAY 2015

(UG—CCSS)

Core Course

BC 4B 05—COST ACCOUNTING

(2010 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

Answer the following :—

1. The branch of accounting which assist the management in planning the activities :
 - (a) Cost accounting.
 - (b) Financial accounting.
 - (c) Management accounting.
 - (d) Double accounting.
2. The recourses sacrificed to attain a particular objective is known as :
 - (a) Cost.
 - (b) Price.
 - (c) Value.
 - (d) Worth.
3. The type of cost which is neither spent nor recorded in the books of accounts :
 - (a) Replacement cost.
 - (b) Sunk cost.
 - (c) Imputed cost.
 - (d) Out of pocket cost.
4. The cost of searching new products or improved methods is :
 - (a) Research cost.
 - (b) Policy cost.
 - (c) Variable cost.
 - (d) Opportunity cost.
5. The cost of abnormal ideal time is charged to :
 - (a) In the particular job account.
 - (b) Costing profit and loss account.
 - (c) Ideal time account.
 - (d) Over time account.
6. Intensive wage payment systems ——— cost per unit of production.
 - (a) Reduce.
 - (b) Improve.
 - (c) Increase.
 - (d) Does not affect.
7. Cost of goods sold is not less than :
 - (a) Prime cost.
 - (b) Office cost.
 - (c) Selling Price.
 - (d) Works cost.

Turn over

8. Under which system of Incentive Wage Payments – two wage rates are determined ?
- (a) Tailors differential Piece Rate Plan.
 - (b) Rowan Premium Plan.
 - (c) Gantt Premium Plan.
 - (d) Emerson's Efficiency Plan.
9. Fixed cost per unit is increased :
- (a) When per unit variable cost is reduced.
 - (b) When per unit variable cost is increased.
 - (c) When per size of production is reduced.
 - (d) When per size of production is increased.
10. Variable cost per unit :
- (a) Remains fixed.
 - (b) Goes on increasing.
 - (c) Goes on reducing.
 - (d) Sometimes increases and other times decreases.
11. Which of the following does not relate to contract costing ?
- (a) Completed work.
 - (b) Idle work.
 - (c) Certified work.
 - (d) Not certified work.
12. In case of incomplete contracts, when no profit should be credited to P/ L a/c, if the contract is :
- (a) Less than 1/3 complete.
 - (b) Less than 1/2 complete.
 - (c) Less than 2/3 complete.
 - (d) Above 2/3 complete.

(12 × ¼ = 3 weightage)

Answer the following :-

- 13. What do you mean by cost plus contract ?
- 14. What do you mean by imputed cost ?
- 15. What do you mean by Maximum Level ?
- 16. What is VED Analysis ?
- 17. What is labor turn over ?
- 18. What is MHR ?
- 19. What is cost sheet ?
- 20. What is process loss ?
- 21. What is Dormant stock ?

(9 × 1 = 9 weightage)

Answer any five :

22. Explain the procedure for transferring the profit under incomplete contract.
23. What do you understand by material variance ? What kinds of material variances can be calculated ?
24. Distinguish between cost reduction and cost control.
25. Mention any four limitations of cost accounting.
26. In a company weekly minimum and maximum consumption of material A are 25 and 75 units respectively. The reorder quantity as fixed by the company is 300 units. The material is received within 4 to 6 weeks, from the issue of supply order. Calculate minimum level and maximum level of material A.
27. From the following particulars abstracted from the books of a contractor. Calculate the amount of profit to be credited to P/L a/c :—
 Contract price Rs. 50,00,000.
 Cash received from contractee being 80% of work certified, Rs. 24,00,000.
 Works uncertified Rs. 3,00,000.
 Notional profit for the year Rs. 3,00,000.
28. Calculate EOQ from the following information :—
 Annual consumption 6,000 units.
 Cost of ordering Rs. 15 per order.
 Cost per unit Rs. 2.50.
 Carrying cost 20% of average inventory.

(5 × 2 = 10 weightage)

Answer any two :

29. The product of a manufacturing concern passes through two processes A and B and then a finished stock. It is ascertain that in each process normally 5% of the total weight is lost and 10% is scrap which from processes A and B realizes Rs. 80/ton and Rs. 200/ton respectively. The following are the figures relating to both the processes :—

	Process A	Process B
Materials in tons	1,000	70
Cost of material in Rs. /ton	125	200
Wages in Rs.	28,000	10,000
Manufacturing expense in Rs.	8,000	5,250
Output in ton	830	780

Prepare process cost accounts showing cost per ton of each process. There was no stock or work in progress in any process.

Turn over

30. You are required to prepare a Contract Account showing the profit on contract to 30th April from the following Particulars. Also show how the values would appear in the next Year's Contract Account :

Rs.

Contract Price	1,00,000
Materials sent to site	32,250
Labour Engaged on site	27,400
Plant installed at site	5,650
Work certified	71,500
Cash received from contractee	65,000
Value of plant (30 th April)	4,100
Cost of work done but not certified	1,700
Direct expenditure	1,200
Cost of establishment	1,625
Wages outstanding on 30 th April	900
Materials in hand on 30 th April	700
Direct expenses outstanding on 30 th April	100
Materials turned to stores	200

31. From the following information relating to the machine, Shylock, installed in a factory. Calculate the Machine - hour Rate :

Purchase Price of the machine with the scrap value zero Rs. 90,000.

Installation and incidental charges incurred on the machine Rs. 10,000.

Life of the machine is 10 years of 20,000 working hours each.

Repair charges : 50 % of depreciation.

Machine consumes 10 units of electric power at 40 paise per unit .

Oil expenses at Rs. 2 per day of eight hours.

Consumable stores at Rs. 10 per day of eight hours.

Two workers are engaged on the machine at Rs. 4 per day of eight hours.

(2 × 4 = 8 weightage)