

FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION, APRIL 2021

B.Com.

BCM 4B 05—COST ACCOUNTING

Time : Two Hours and a Half

Maximum : 80 Marks

Section A

*Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. Describe Cost Sheet.
2. Distinguish Product cost and Period cost.
3. What is muster roll method ?
4. What is 'On Cost' ?
5. What is flexible budget ?
6. Explain EOQ.
7. What is work-in-progress mean in contract costing ?
8. What is bill of material ?
9. What is primary distribution of overheads ?
10. What is job description ?
11. What is Abnormal Gain ?
12. What is basic standard ?
13. What is angle of incidence ?
14. What is variance ?
15. What is machine-hour rate ?

(10 × 3 = 30 marks)

Turn over

Section B

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. What are the objectives of material control ?
17. Describe various steps in standard costing.
18. Distinguish Job costing and Contract costing.
19. Discuss different types of budgets.
20. Calculate Economic Order Quantity from the following :

Monthly demand of product X - 1500 units

Requirement of components to produce 1 unit of product X : 5 units

Ordering, receiving and handling cost : Rs. 10 per order

Trucking costs : Rs. 5 per order

Deterioration and obsolescence cost : Rs. 10 per unit per annum

Interest rate 15% per annum

Storage cost : Rs. 4,50,000 for 90000 units

Purchase price of a component : Rs. 100.
21. Standard output per hour 5, Actual output in a 40 hours week is 220 units. Wage rate per Rs. 10 per hour. Calculate the total earnings under :
 - a) Straight time rate.
 - b) Straight piece rate.
 - c) Taylor's differential piece rate.
22. From the following information calculate Actual and Pre-determined overhead absorption

Department	Budgeted Overhead	Actual Overhead	Budgeted Labour hours	Actual labour hours
A	50000	48000	5000	6000
B	25000	27000	10000	9000

From the following data, calculate Units of Abnormal Gain in each process :

	Process I	Process II	Process III
Input introduced	2000	-	-
Output transferred to Next process	1900	1600	1300
Normal Loss (% of Input)	10%	20%	25%

(5 × 6 = 30 marks)

Section C

Answer any two questions.

Each question carries 10 marks.

Discuss in detail various techniques of costing.

What is labour cost control ? What are the techniques of labour cost control ?

Mr. Bharat undertook a contract No. 501 for Rs. 5,00,000 on 1st July 2019. On 31st March 2020, when the accounts were closed, the following information was available :

	Rs.		Rs.
Material issued to site	55,000	Wages paid	18,000
Direct Expenses paid	6,000	General overheads	25% of wages
Site office costs	10,000	Cost of sub-contract	15,000
Plant	2,00,000	Wages accrued at the end	2,000
Direct expenses paid at the end	1,000	Materials at site at the end	5,000
Cost of work uncertified	20,000		

Cash received Rs. 2,00,000 being 80% of work certified.

The plant was installed on the respective date of the contract and depreciation is to be provided at 10% p.a.

Prepare Contract account.

Turn over

27. X Ltd. Furnishes the following stores transactions for July 2020 :

Date	Transaction
1	Opening balance 200 Units value Rs. 2,000
4	Receipt from B & Co. 300 units @ Rs. 12 per unit
7	Issued to production 400 units
10	Receipt from M & Co. 400 units @ Rs. 14 per unit
13	Returned by department, issued on 7th July 20 units
16	Returned to supplier, purchased on 4th July 10 units
19	Issued to production 300 units
22	Receipt from N & Co. 200 units @ Rs. 16 per unit
25	Receipt, replacement of material returned on 16th July 10 units
28	Issued to production 300 units
30	Shortage in stock taking 20 units

Prepare the store ledger using FIFO method.

(2 x 10)