Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_

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**End Semester Examination – Nov/Dec – 2018**

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| **Code :** | **17BC2019** | **Duration :** | **3hrs** |
| **Sub. Name :** | **COST ACCOUNTING** | **Max. marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | **Marks** |
| 1. | a. | Difference between Cost accounting and Financial Accounting | CO2 | 10 |
| b. | Calculate Prime cost, Factory cost, cost of production, cost of sales and profit from the following particulars   |  |  |  |  | | --- | --- | --- | --- | | Direct Material | 1,00,000 | Depreciation |  | | Direct wages | 30,000 | Factory Plant | 500 | | Wages of foreman | 2,500 | Office premises | 1,250 | | Electric power | 500 | Consumable stores | 2,500 | | Lighting: Factory | 1,500 | Managers Salary | 5,000 | | Office | 500 | Directors Fees | 1,250 | | Store Keeper wages | 1,000 | Office Stationery | 500 | | Oil and Water | 500 | Telephone charges | 125 | | Rent : Factory | 5,000 | Postage and Telegram | 250 | | Office | 2,500 | Salesman salary | 1,250 | | Repairs and Renewals: |  | Travelling Expenses | 500 | | Factory Plant | 3,500 | Advertising | 1,250 | | Office premises | 500 | Warehouse Charges | 500 | | Transfer to reserves | 1,000 | Sales | 1,89,500 | | Discount on shares written off | 500 | Carriage outwards | 375 | | Dividend | 2,000 | Income-Tax | 10,000 | | CO3 | 10 |
| (OR) | | | | |
| 2. | a. | Manufacturer makes two types of articles X and Y. They Undergo Two Process namely, Factory and Finishing. Raw materials used in the factory and general expenses are apportioned in the ratio of each class. The output for the year ended 31st March 2017 24,000 – X and 8,000 – Y. The actual cost of labour for each process is ascertained. Other charges for was each process are apportioned in the ration of Finished wages.  From the following particulars prepare a statement of cost per article each item in each process showing the cost of manufacture and the profit per article. The selling price are Rs. 200 and Rs. 225 Respectively   |  |  |  | | --- | --- | --- | | Particulars | Factory Rs. | Finishing Rs | | Opening stock of Raw Materials | 7,36,000 | 1,44,000 | | Purchase of Raw Materials | 21,42,000 | 6,74,000 | | Closing Stock of Raw Materials | 9,90,000 | 1,58,000 | | Expenses | 7,45,000 | 3,30,000 | | Wages : X | 8,52,000 | 3,00,000 | | Y | 2,60,000 | 2,00,000 |   General Expenses Rs. 3,84,000 | CO3 | 10 |
| b. | From the following particulars Calculate (i) Contribution (ii) P/V Ratio (iii) Break Even Point in units and in Rupees (iv) What will be the selling price per unit if the break even point is brought down to 25,000 Units?   1. Fixed Expenses Rs. 1,50,000 2. Variable Cost Per unit Rs. 10 3. Selling Price per unit Rs. 15 | CO2 | 10 |
|  |  |  |  |  |
| 3. | a. | Explain FIFO and LIFO methods of valuation of Material issues. | CO2 | 10 |
|  | b. | The fairdeal granary was not maintaining a perpetual inventory system for its Stock Until recently. Only physical verification was taken at the end if each month. The physical inventory at the end of December 2016 showed 200 bags of Fine rice at Rs. 212.25 per bag. The following purchase were made In January 2017   |  |  | | --- | --- | | 3rd | 400 bags at Rs. 218 per bag | | 10th | 900 bags at Rs. 223.50 per bag | | 15th | 400 bags at Rs. 220 per bag | | 28th | 700 bags at Rs. 213 per bag | | 30th | 300 bags at Rs. 224 per bag |   On 31st January 2017 the physical stock was 1,200 bags. You are required required to calculate the value of stock price on 31st January 2017 according to: (a) FIFO (b) LIFO and (C) Weighted average cost method | CO3 | 10 |
| (OR) | | | | |
| 4. | a. | From the following particulars prepare a cost sheet showing the total cost per ton for the period December 2017   |  |  |  |  | | --- | --- | --- | --- | | Raw Materials | 33,000 | Rates and taxes (office) | 500 | | Direct wage | 38,000 | Water supply (works) | 1,200 | | Indirect wages | 10,500 | Factory insurance | 1,100 | | Factory Rent and taxes | 7,500 | Office insurance | 500 | | Factory lightning | 2,200 | Legal expenses | 400 | | Factory heating | 1,500 | Rent of warehouse | 300 | | Motive power | 4,400 | Depreciation of |  | | Haulage(works) | 3,300 | -Plant and Machinery | 2,000 | | Directors fees(works) | 1,000 | -Office building | 1,000 | | Directors Fees(office) | 2,000 | -Delivery Van | 200 | | Factory cleaning | 500 | Bad Debts | 100 | | Sundry Office expenses | 200 | Advertising | 300 | | Estimating expenses(works) | 800 | Sales department salary | 1,500 | | Factory stationary | 750 | Upkeep delivery Van | 700 | | Office Stationary | 900 | Bank charges | 50 | | Loose tools written off | 600 | Commission on sales | 1,500 |   Total output for the period has been 14,775 Tonnes | CO3 | 10 |
|  | b. | From the following data provider do you find out the labor turnover rate by applying:   * 1. Flux Method   2. Replacement Method   3. Separation Method   No of Worker in Payroll  At the beginning of the month 500  At the end of the month 600  During the month five workers left, 20 persons were discharged and 75 workers were recruited. Of the 10 workers were recruited in the vacancies of those leaving, while the rest were engaged for an expansion scheme. | CO3 | 10 |
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| 5. | a. | What do you mean by Weighted Average and give out the advantage and Disadvantages? | CO2 | 10 |
|  | b. | The following information is extracted from the job ledger, in respect of Job 1:  Materials Rs. 3,400  Wages:  Dept A: 80 hours at Rs. 2.50 Per hour  Dept B: 60 Hours at Rs. 4 per Hour  Variable Overheads:  Dept A: Rs. 5,000 for 4000 Direct hours  Dept B: Rs. 6,000 for 3,000 Direct hours  Fixed over head:  Rs. 7,500 for 10,000 hours of normal working time of the factory.  Calculate the cost for Job 1 and estimate the percentage of profit if the price quoted is Rs. 4,750 | CO3 | 10 |
| (OR) | | | | |
| 6. | a. | You are asked to calculate the following levels for Part No A, from the information given below  i) Re-ordering Level ii) Maximum Level iii) Minimum Level iv) Danger Level v) Average Stock Level  The re-ordering quantity is to be calculated from the information given below   1. Total cost of purchasing related to that order is Rs. 20 2. Number of units to be purchased during the year is 5000 3. price per unit including transportation cost is Rs. 50 4. Annual cost of storage of one unit is Rs. 5   Lead Time :  Average 10 Days  Maximum 15 days  Miniumum 6 days  Max for emergency purchase 4 days  Rate of Consumption  Average 15 units per day  Maximum 20 Units per day | CO3 | 10 |
|  | b. | From the following information calculate (a) economic order quantity (b) the number of orders to be placed in one quarter of the year:   * + 1. Quarterly consumption of material : 2000 Kgs     2. Cost of placing one order : Rs. 50     3. Cost per unit: Rs. 40     4. Storage and carrying cost 8% on Average Inventory | CO3 | 10 |
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| 7. | a. | Explain Normal loss, abnormal loss and abnormal gain and state how they should be dealt with in process cost account. | CO2 | 10 |
|  | b. | Calculate the earning of A and B under straight Piece basis and taylors differential Piece rate system, from the following information  Standard production : 7 Units per hour  Factory day : 8 Hours  Normal time rate : Rs. 2.80 per hour  Differential to be applied : 80% of the piece rate below standard, 120% of piece rate at or above standard.  Mr. A Produces 50 Units a day  Mr. B Produces 60 Units a day | CO3 | 10 |
| (OR) | | | | |
| 8. | a. | From the following inventory problem, find out:   1. How much should be ordered each time 2. When should the order be placed 3. What should be the inventory level (ideally) immediately before the material order is received   Annual consumption : 12,000 units (360 days)  Cost per unit : Rs. 1  Ordering cost : Rs. 12 per order  Inventory carrying cost : 24%  Normal lead time : 15 days  Safety stock : 30 days consumption | CO3 | 10 |
|  | b. | A factory Follows job costing. The following cost data are obtained from its books for the year ended 31stDecemeber 2017:  Direct materials Rs. 90,000  Direct Wages Rs. 75,000  Profit Rs. 60,900  Selling and Distribution Overhead RS. 52,500  Administration Overhead Rs. 42,000  Factory overhead Rs. 45,000  Prepare a job cost sheet and find out overhead recovery rates and percentage of profit on sales. | CO3 | 10 |
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|  | | **Compulsory**: |  |  |
| 9. | a. | Limitations of Financial Accounting | CO2 | 5 |
|  | b. | What is the basic idea behind Taylor’s differential piece rate system? | CO2 | 5 |
|  | c. | What is normal loss? How it is treated in cost accounts? | CO2 | 5 |
|  | d. | What do you mean by EOQ? And give various components of EOQ? | CO2 | 5 |