

E 4413

(Pages : 4)

Reg. No.....

Name.....

**B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2012**

**Fifth Semester**

**Core Course 13 : COST ACCOUNTING**

(Common for Model I, Model II and U.G.C. sponsored B.Com. Degree Programmes)

Time : Three Hours

Maximum Weight : 25

*Answers may be written either in English or in Malayalam.*

**Section A**

*Answer all questions.*

*Each bunch of four questions carries a weight of 1.*

I. Choose the correct answer from the choices given :

1 Fixed cost per unit decreases when :

- (a) A volume of production decreases.
- (b) A volume of production increases.
- (c) A volume of sales increases.
- (d) A volume of sales decreases.

2 Bill of materials is :

- (a) An invoice of materials purchased.
- (b) A voucher of materials received by supplier.
- (c) A document that shows the materials required for a job.
- (d) None of these.

3 Time and motion study are conducted by :

- (a) Time Officer.
- (b) Personal Department.
- (c) Accounting Department.
- (d) Engineering Department.

4 Cost of fancy packing is included in :

- (a) Production overhead.
- (b) Selling overhead.
- (c) Administration overhead.
- (d) All of the above.

II. Fill in the blanks :

5 Over/under absorption is excluded from \_\_\_\_\_ accounts.

6 In sugar industries, the cost unit is \_\_\_\_\_.

7 Sale value of \_\_\_\_\_ is deducted from the cost of raw materials consumed.

8 Costing refers to the techniques and processes of \_\_\_\_\_ costs.

**Turn over**

III. State whether the following statements are True or False :

- 9 Interest on bank loan is purely financial charge and included in Cost Accounting.
- 10 LIFO method is advantageous when prices are rising.
- 11 The main purpose of time keeping is to ensure punctuality.
- 12 Production overhead is different from the factory overhead.

IV. Match the following :—

- |   |                       |
|---|-----------------------|
| 13 Overhead   | (a) LIFO.             |
| 14 Inventory control  | (b) FIFO.             |
| 15 Sunk cost  | (c) ABC analysis.     |
| 16 The value of closing stock cost approximates to market value under | (d) Invested.         |
|   | (e) On cost.          |
|   | (f) Opportunity cost. |

(4 × 1 = 4)

**Section B**

*Answer any five questions.  
Each question carries a weight of 1.*

- 17 What is a material requisition ?
- 18 What is VED analysis ?
- 19 Define Direct Labour.
- 20 What is "Idle time" ?
- 21 Define the term Overheads.
- 22 What is an idle capacity ?
- 23 Define Scrap.
- 24 What is Cost Sheet ?

(5 × 1 = 5)

**Section C**

*Answer any four questions,  
Each question carries a weight of 2.  
Answer should not exceed half a page each.*

- 25 Why do you want to reconcile financial accounts and cost accounts ?
- 26 Mention any five advantages of Cost Accounting.
- 27 Explain the term time booking. What is its objectives ?
- 28 Discuss the function-wise classification of overheads.
- 29 (a) Define Economic Order Quantity.  
(b) Find out the EOQ when the annual consumption is 6,000 kg, ordering cost is Rs. 120 per order, price per kg. is Rs. 20 and carrying cost is 20 %. Also ascertain the frequency of placing orders.

- 30 In a factory, the standard output is 48 units per week for a working week of 48 hours. The hourly rate is Rs. 3. Three workers X, Y and Z produce 42, 48 and 72 units in a particular week. Find the earnings of each worker under Halsey system of wage payment.

(4 × 2 = 8)

### Section D

Answer any two questions.

Each question carries a weight of 4.

Answer should not exceed four pages.

- 31 Vasant Ltd. manufactures a product. A summary of its activities for the year 2009—2010 is given below :

	Units	Rs.
Sales	1,00,000	10,00,000
Material (1-4-2009)		50,000
Material (31-3-2010)		35,000
Work-in-progress (1-4-2009)		45,000
Work-in-progress (31-3-2010)		60,000
Finished goods (1-4-2009)	20,000	1,00,000
Finished goods (31-3-2010)	40,000	
Materials purchased.		2,00,000
Direct labour		1,60,000
Manufacturing overhead		1,20,000
Selling expenses		1,10,000
General expenses		50,000

Prepare Cost Sheet.

- 32 The following is the Profit and Loss Account of Major Enterprises :

	Rs.		Rs.
To Materials	3,20,000	By Sales	5,40,000
Labour	1,40,000	Interest received	5,000
Factory expenses	30,000	Stock of goods	20,000
Office expenses	80,000	Net Loss	50,000
Sales expenses.	20,000		
Preliminary expenses	15,000		
Brokerage on			
Debenture issue	10,000		
	<u>6,15,000</u>		<u>6,15,000</u>

In cost books, the stock of goods is valued at Rs. 27,000. Factory expenses are recovered Rs. 4,000 less and Office expenses is over absorbed by Rs. 3,000. Sales expense in cost books is 5 % sales. Prepare reconciliation statement to arrive at Profit or Loss as per cost books.

Turn over

33 The total departmental expenses of ABC Co. Ltd. are as follows :

Production Department			Service Department	
X	Y	Z	S <sub>1</sub>	S <sub>2</sub>
Rs.	Rs.	Rs.	Rs.	
1,6001	,4001	,000	468	600

*Overhead Distribution Table*

Transfer of Service Department.	Production Department			Service Department	
	X	Y	Z	S <sub>1</sub>	S <sub>2</sub>
S <sub>1</sub>	20 %	40 %	30 %		10 %
S <sub>2</sub>	40 %	20 %	20 %	20 %	

You are required to prepare a statement showing the distribution of service department cost to production departments using the simultaneous equation method.

(2 × 4 = 8)