

- (b) Compute cost per running kilometer from the following data of a truck. Estimated life of vehicle 1,00,000 kms. Annual running 15,000 kms.

Particulars	Rs.
Cost of vehicle	25,000
Road licence (Annual)	750
Insurance (Annual)	700
Garage rent (Annual)	900
Supervision and Salaries (Annual)	2,700
Driver's wages per hour	3.00
Cost of fuel per litre	3.00
Repairs and maintenance per k.m.	1.75
Tyre allocation per k.m	0.90

Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20 kms. per hour on an average and one litre of fuel gives 20 km.

Reg. No. :

Code No. : 22090 E Sub. Code : CMCO 52

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2024.

Fifth Semester

Commerce — Core

COST ACCOUNTING

(For those who joined in July 2021–2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

1. Imputed cost is a _____
 - (a) Notional cost
 - (b) Real cost
 - (c) Abnormal cost
 - (d) Variable cost



2. Sunk cost is a cost relating to _____
(a) The present (b) Future
(c) Past (d) Tax
3. JIT inventory system is _____
(a) Job In Time
(b) Just Inventory Time
(c) Just In Time
(d) None of the above
4. Perpetual inventory system involves _____
(a) Bin card and stores ledger
(b) Bill of materials and material requisition
(c) Purchase requisition and purchase order
(d) Inward and outward invoices
5. Time keeping refers to
(a) Time spent by workers on their jobs
(b) Time spent by workers in the factory
(c) Time spent by workers without work
(d) None of these

6. Time booking refers to
(a) Time spent by workers on their jobs
(b) Time spent by workers without work
(c) Time spent by workers in the factory
(d) None of these
7. Abnormal Loss and Gain units are valued at _____
(a) Market value
(b) Scrap value
(c) Realisable value
(d) Cost per unit of the process just like good output
8. Cost of Abnormal Loss is shown in _____
(a) Balance sheet
(b) Profit and Loss A/c credit side
(c) Profit and Loss Statement
(d) None of these
9. Operating costing is a _____
(a) Method of costing
(b) Technique of costing
(c) Norm of costing
(d) Procedure of costing



10. Operating costing is more useful in _____

- (a) Manufacturing industries
- (b) Service Industries
- (c) Trading organizations
- (d) None of these

PART B — (5 × 5 = 25 marks)

Answer ALL questions by choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) From the following information prepare a Cost Sheet for the month of Dec. 1985.

Particulars	Rs.
Stock on hand-1 st Dec. 1985	
Raw Materials	25,000
Finished Goods	17,300
Stock on hand 31 st Dec. 1985	
Raw Materials	26,200
Finished Goods	15,700
Purchase of raw materials	21,900
Carriage on purchases	1,100
Work in progress 1.12.1985 at works cost	8,200
Work in progress 31.12.1985 at works cost	9,100
Sale of finished goods	72,300
Direct wages	17,200
Non-productive wages	800
Direct expenses	1,200

Particulars	Rs.
Factory overhead	8,300
Administrative overheads	3,200
Selling and distribution overheads	4,200

Or

(b) You are required to compile a statement showing cost and profit from the information given, showing clearly:

- (i) Material consumed
- (ii) Prime cost
- (iii) Works cost
- (iv) Cost of production
- (v) Cost of Sales
- (vi) Profits and
- (vii) Sales

Particulars	Rs.
Materials purchased	2,00,000
Wages	1,00,000
Direct expenses	20,000
Opening stock of materials	40,000
Closing stock of materials	60,000



Factory overhead is absorbed at 20% on wages. Administration overhead is 25% on the works cost. Selling and distribution overheads are 20% on the cost of production. Profit is 20% on sales.

12. (a) Material 'X' is used as follows : Maximum usage in a month 600 Nos., Minimum usage in a month 400 Nos., Average usage in a month 450 Nos., Lead time: Maximum 6 months, minimum 2 months, Reorder quantity : 1,500 Nos., Maximum reorder period for emergency purchases – 1 month. Calculate

- (i) Reorder level
- (ii) Maximum level
- (iii) Minimum level
- (iv) Average stock level
- (v) Danger level.

Or

- (b) Two components X and Y are used as follows: Reordering quantity : X 1,200 units, Y 1,000 units Reordering period: X 2 to 4 weeks, Y 3 to 6 weeks, Normal usage - 300 units per week each. Minimum usage – 150 units per week each, Maximum usage – 450 units per week each. You are required to calculate the following for each of the components.

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- (i) Reordering level
- (ii) Maximum level
- (iii) Minimum level
- (iv) Average stock level

13. (a) (i) Standard time 10 hours. Number of units to be completed 5. Hourly rate is Re. 0.25. Time taken 8 hours. Calculate a worker's total earnings under Rowan's plan. Also, determine the effective rate of earnings per hour.

- (ii) Calculate the total earnings from the following data under Halsey Plan and Under Halsey-Weir Plan.

Standard time – 10 hours, Time taken – 8 hours, Time rate – Rs. 2.50 per hour.

Or

- (b) Mr. Z a worker in a factory is paid on a time basis. During the month of October 2010, he worked for 200 hours. His hourly wage rate is 10 per hour. Mr. W another employee of the company is paid on the basis of piece wages. During the month of October 2010, his output was 1,000 units. The rate of wages per piece is Rs.3.

Calculate the wages of respective workers for the months of October 2010.

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14. (a) In manufacturing a product 1,000 kg of raw materials at Rs. 8 per kg were supplied to process 'X' Other expenses of the process were as follows: Labour cost – Rs 2,000, Production expenses – Rs. 1,000. Normal loss in the process has been estimated at 10% of the input and it could be sold at Rs. 2 per kg. The actual output in this process was 880 kgs which were transferred to process 'N'. Prepare process 'M' account and abnormal loss account.

Or

- (b) Ramya & Co., produces a product through two processes 'G' and 'H'. Prepare the process accounts from the following details relating to March 1997.

Particulars	Process G – Rs.	Process H – Rs.
Material	45,000	15,000
Labour	60,000	25,000
Chargeable expenses	5,000	10,000

The overheads amounting to Rs. 17,000 are to be apportioned on the basis of labour.

15. (a) Moon Travels, a transport company is running a fleet of six buses between two towns 75 km apart. The seating capacity of each bus is 40 passengers. The following particulars are available for the month of April 1989.

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Particulars	Rs.
Wages of Drivers, Conductors, etc	3,600
Salaries of office and supervisory staff	1,500
Diesel oil, etc.	10,320
Repairs and maintenance	1,200
Taxes and insurance	2,400
Depreciation	3,900
Interest and other charges	3,000

The actual passengers carried were 80% of the capacity. All the buses run all the days in the month. Each bus made one round trip per day. Find out the cost per passenger kilometer.

Or

- (b) The following are the expenses of Banu and Co., in respect of a contract which commenced on 1st January 1998.

Particulars	Rs.
Materials purchased	50,000
Materials on hand	2,500
Direct wages	75,000
Plant issued	25,000
Direct expenses	40,000

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The contract price was 7,50,000 and the same was duly received when the contract was completed in August 1998. Charge indirect expenses at 15% on wages; provide Rs. 5,000 for depreciation on plant and prepare the contract account.

PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b)

Each answer should not exceed 600 words.

16. (a) During the year 1998, S Ltd., produced 50,000 units of a product. The following were the expenses:

Particulars	Rs.
Stock of raw materials on 1.1.98	10,000
Stock of raw materials on 31.12.98	20,000
Purchases	1,60,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a Cost sheet showing cost per unit and total cost at each stage.

Or

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- (b) M/s. White Industries Ltd., are the manufacturers of moonlight torches. The following data related to manufacture of torches during the month of March 2009.

Raw materials consumed – Rs. 20,000, Direct wages – Rs. 12,000, Machine hours worked 9,500 hours, Machine hour rate – Rs. 2, Office overheads – 20% of works cost, Selling overheads – 50 paise per unit, Units produced 20,000 units, Units sold 18,000 @ Rs. 5 per unit.

Prepare cost sheet showing the cost and the profit per unit and the total profit earned.

17. (a) From the following information calculate

- (i) Economic order quantity
- (ii) Reorder level
- (iii) Maximum level
- (iv) Minimum level

Normal usage 150 units per day. Minimum usage 100 units per day. Maximum usage 200 units per day. Reorder period 50 to 60 days. The annual usage is 50,000 units. The cost of purchase is Rs.100 per order. Cost per unit is Re. 1.00. Carrying cost is 10% per annum.

Or

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- (b) Prepare the stores ledger account on the basis of Weighted Average Pricing Method.

1999

- March 1 Balance 1,000 units @ Rs. 70 per unit
- 3 Purchased 2,000 units @ Rs. 80 per unit
- 5 Issued 500 units
- 10 Issued 1,000 units
- 15 Purchased 2,000 units @ Rs. 80 per unit
- 18 Issued 400 units
- 20 Received back 25 units out of the issued made on 5th March
- 22 Issued 1,500 units
- 24 Returned to supplier 30 units out of the purchases made on 15th March
- 25 Purchased 1,000 units @ Rs. 75 per unit
- 30 Issued 1,000 units

Physical verification on 21st March revealed a shortage of 15 units and 20 units shortage on 30th March.

18. (a) From the following information, calculate the labour turnover rate and labour flux rate:

Number of workers at the beginning of the year 3,800

Number of workers at the end of the year 4,200

During the year 40 workers leave while 160 workers are discharged. 600 workers are required during the year, of these 150 workers are recruited because of leavers and the rest are engaged in accordance with an expansion scheme

Or

- (b) A manufacturing concern has three production departments and two service departments. In July 1996, the departmental expenses were as follows:

Production departments		₹
A		16,000
B		13,000
C		14,000
Service Departments		
J		4,000
K		6,000



The service department expenses are charged out on a percentage basis viz.,

	A	B	C	J	K
Department E	20%	25%	35%	—	20%
Department F	25%	25%	40%	10%	—

Prepare a statement of secondary distribution under repeated distribution method.

19. (a) Samson & Co produces a product through two processes 'X' and 'Y'. The following details pertaining to process 'X' for January 1996 are available. Inputs in Rs. – Materials (500 units) 10,000, Labour 8,000. Indirect expenses 7,000. Normal loss in the process is estimated at 5% of the input which possesses a scrap value of Rs. 31 per unit. Prepare the process account.

Or

- (b) During the year 1998, X Ltd., produced 50,000 units of a product. The following were the expenses :

Particulars	Rs.
Stock of raw materials on 1.1.98	10,000
Stock of raw materials on 31.12.98	20,000
Purchases	1,60,000
Direct wages	75,000
Direct expenses	25,000

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Particulars	Rs.
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a cost sheet showing cost per unit and total cost at each stage.

20. (a) (i) A transport company operates 4 buses on a route 100 kms. long. Each bus makes three round trips per day on all 30 days in a month. On an average 20% of the vehicles are in garage for repairs and maintenance.

Ascertain the total distance covered by the buses in one month period.

- (ii) A city corporation employ 80 vehicles of 5 ton capacity for conservancy work. On an average each vehicle makes 4 trips a day, covering a distance of 8 Kms. in each trip. Load actually carried is 80% of the capacity, on average. On an annual average basis 20% of the vehicles are laid up for maintenance on any given day. The vehicles run 30 days a month. Calculate the total tone-kms. per month.

Or

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