



US – 464

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IV Semester B.Com. Examination, May 2017
(Fresh + Repeaters) (CBCS)
(2015-16 and Onwards)
COMMERCE
Paper – 4.4 : Cost Accounting



Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written **completely** either in **English** or **Kannada**.

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **2** marks. (5×2=10)
- Define cost.
 - Give two examples of selling and distribution overheads.
 - What is meant by over time ?
 - What is material requisition ?
 - Write two merits of piece rate system.
 - Write any two differences between cost accounting and financial accounting.
 - What is Reconciliation Statement ?

SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. (3×6=18)

- What are the essentials of a good wage payment system ?
- From the following figures prepare a cost sheet showing the cost per unit and profit for the period :

Raw material consumed	₹
Direct wages	40,000
Factory overhead	24,000
Office overhead 10% of factory cost selling overhead ₹ 1.50 per unit. Units produced 2000. Units sold 1800 at ₹ 50 each.	8,000

P.T.O.



4. Following transactions relate to the Receipts and issue of material 'Z'.

Receipts :

3-10-2015	1000 units @ ₹ 8 per unit
13-10-2015	1800 units @ ₹ 8.60 per unit
23-10-2015	1200 units @ ₹ 7.60 per unit

Issues :

5-10-2015	800 units
15-10-2015	800 units
25-10-2015	1200 units

Prepare stores ledger under weighted average method.

5. From the following particulars compute machine hour rate :

Cost of machine	₹ 1,14,800
Installation charges	5,400
Anticipated life of machine 10 years	
Scrap value at the end of 10 years	5,000
Rent and rates per annum	12,000
Insurance per annum	3,000
Power cost is 5 units per hour @ 0.40 paise per unit.	
There are 300 working days of 8 hours each in a year.	

6. From the following calculate the earnings of workers A, B, C under Halsey plan and Rowan scheme of payment :

Worker	A	B	C
Standard time (Hours)	3	4	5
Actual (Hours)	5	3	4
Basic wages per hour	2	2	2

SECTION – C

Answer **any three** questions. **Each** question carries **fourteen** marks. (3×14=42)

7. From the following figures compute machine hour rate for machines X, Y, Z for a four week period, each machine is expected to work 216 hours.

Rent and Rates	₹ 30,000
Lighting	4,000
Depreciation	20,000
Indirect wages	20,000
Power	12,000
Sundries	30,000
Canteen expenses	2,000
Repairs	8,000
Total	1,26,000



	Machines		
	X	Y	Z
Space occupied (Sq.ft.)	200	400	600
Light points	20	60	120
Cost of machine (Rs.)	2,50,000	1,50,000	1,00,000
No. of workers	20	40	40
Power actuals (₹)	5,000	3,000	4,000
Direct wages	40,000	60,000	50,000

8. The following data is furnished by a company for the year 2015 :

Stock of material on 1-1-2015	35,000
Stock of material on 31-12-2015	5,000
Purchases of materials	50,000
Wages	1,00,000
Factory overheads	20,000
Administration overhead	20,000
Closing stock of finished goods	20,000
Sales	2,50,000

Production during 2015, 5000 units.

The company wants to quote for a contract for the supply of 1000 units during the year 2016. The cost of material is expected to increase by 15% and wages by 10%. Prepare a statement of cost for the year 2015 and a tender statement for 2016 showing the price to be Quoted per unit, if the same percentage of profit is maintained as in the previous year.

9. From the following data prepare stores ledger account under FIFO method. Stock on 1st March 2015, 15000 units at 20/unit.

Purchases

Date	Units	Rate per unit (₹)
March 2	16000	19
4	13000	21
8	20000	22.50
24	40000	24
25	30000	25

Issues

Date	Units
March 5	13600
7	7000
15	17200
18	4900
22	15100
28	45000

On 31-3-2015 stock checking revealed a shortage of 600 units.



10. From the following, prepare a Reconciliation statement, calculate profits as per Financial Accounts :

a) Net profit as per costing records	1,72,400
b) Works overhead under recovered in costing	3,120
c) Administrative overhead recovered in excess	1,700
d) Depreciation charged in financial records	11,000
e) Interest received but not included in costing	8,000
f) Income tax provided in financial books	40,300
g) Bank interest credited in financial books	750
h) Stores adjustment credited in financial books	475
i) Depreciation of stock charged in financial books	6,750
j) Depreciation recovered in costing	12,300

11. From the following, you are required to calculate the earnings of a worker for a week under :

a) Straight piece rate system	
b) Taylor's differential piece rate system	
c) Halsey premium plan and	
d) Rowan premium plan.	
Weekly working hours	48
Hourly wage rate (₹)	30
Piece rate per unit (₹)	12
Normal time allowed per piece	12 minutes
Normal output per week	240 pieces
Actual output for the week	300 pieces
Differential piece rate 80% of piece rate when output is below normal and 120% of piece rate when output above normal.	