



US – 478

48

IV Semester B.Com. Examination, May 2017
(Semester Scheme) (Repeaters)
(2013 – 14 & Onwards)
COMMERCE
Paper – 4.4 : Cost Accounting



Time : 3 Hours

Max. Marks : 100

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

SECTION – A

Answer any ten sub-questions. Each question carries 2 marks.

(10×2=20)

1. a) What is a cost centre ?
- b) What is a cost sheet ?
- c) What is EOQ ? How is it calculated ?
- d) What do you mean by labour turnover ?
- e) What are semi-variable overheads ?
- f) State the causes of idle time.
- g) What is reconciliation statement ?
- h) Mention any 2 advantages of installing costing system.
- i) Under what circumstances of price do you prefer the use of LIFO method.
- j) Define time keeping.
- k) What is Just in Time ?
- l) Write any four items of office and administration overheads.

P.T.O.

Answer any four questions. Each question carries 8 marks.

2. State the causes for the difference in profits as per cost accounts and financial accounts.

3. Standard time allowed to complete a job is 20 hours. Hourly rate is ₹ 15, worker 'P' complete the job in 20 hours and 'Q' completes in 30 hours. Calculate the earnings of the workers under Halsey and Rowan plans.

4. In a manufacturing concern particulars of Material 'X' is as follows :

Re-order quantity 1800 units

Maximum consumption 450 units

Minimum consumption 150 units

Re-order period 3 to 5 weeks.

Calculate :

a) Re-order level b) Minimum level c) Maximum level d) Average level

5. Analyse the methods of adsorption of overheads.

6. M/S Leela Co. manufactured and sold 2000 sewing machines in the year 2017.

Raw materials 2,00,000

Direct wages 1,60,000

Manufacturing expenses 1,00,000

Factory overheads 50% of wages

Office overheads 10% of factory cost

Selling overheads ₹ 20 per unit sold

All machines were sold for ₹ 7,00,000.

Prepare Cost Sheet.



SECTION – C

Answer **any three** questions. **Each** question carries **16** marks.

(3×16=48)

7. Prepare stores ledger account showing the issue of materials for the month of April 2016 under FIFO method and LIFO method.
- April 2nd purchased 4000 units @ ₹ 4 per unit
 - April 5th purchased 500 units @ ₹ 5 per unit
 - April 7th issued 2000 units
 - April 10th purchased 6000 units @ ₹ 6 per unit
 - April 13th issued 4000 units
 - April 15th issued 2000 units
 - April 16th issued 1000 units
 - April 18th purchased 4500 units @ ₹ 5.50 per unit
 - April 22nd issued 3000 units
 - April 25th issued 500 units
 - April 28th purchased 1000 units @ ₹ 8 per unit.
8. The following expenses were increased for a job during the year ending 31st December 2016.

	₹
Direct materials	1,20,000
Direct wages	1,60,000
Chargeable expenses	40,000
Factory overhead	80,000
Administrative overhead	1,20,000
Selling and distribution overheads	80,000
Selling price for the above job was	7,20,000



You are required to prepare a statement showing the profit earned for the year 2016 from the job and an estimated price of a job which is to be executed in the year 2017.

Materials, wages and chargeable expenses will be required of ₹ 20,000, ₹ 28,000 and ₹ 8,000 respectively for the job. The various overheads to be recovered on the following basis while calculating the price.

- a) Factory overheads on a percentage of direct wages.
 - b) Administration and selling and distribution overheads as a percentage of factory cost.
 - c) Rate of profit on cost of sales of 2016 is to be applied.
9. From the following figures, prepare a reconciliation statement and find out profit as per financial accounts.

a) Net profit as per cost accounts	— ₹ 6,89,600
b) Works overhead under recovered	— ₹ 12,480
c) Administration overhead recovered in excess	— ₹ 6,800
d) Depreciation charged in Financial A/cs	— ₹ 44,800
e) Depreciation recovered in cost accounts	— ₹ 50,000
f) Obsolescence loss is charged in financial books	— ₹ 22,800
g) Stores adjustment (credit) financial books	— ₹ 1,900
h) Income tax provided in Financial A/c's	— ₹ 1,61,200
i) Depreciation of stock charged in Financial A/c's	— ₹ 27,000
j) Bank interest and transfer fee credited financial books	— ₹ 3,000

10. 'X' company is having 3 production departments 'A', 'B' and 'C' and one service department 'D'. The actual costs for a period are :

Rent	₹ 20,000	Insurance on materials	₹ 10,000
Supervision	₹ 30,000	Depreciation	₹ 9,000
Repairs	₹ 12,000	Employees insurance	₹ 3,000
Lighting	₹ 2,000	Power	₹ 18,000



Particulars	A	B	C	D
Area in sq. feets	150	110	90	50
No. of workers	24	16	12	8
Total wages (in ₹)	8,000	6,000	4,000	2,000
Value of plant (in ₹)	24,000	18,000	12,000	6,000
Value of stock (in ₹)	15,000	9,000	6,000	-

Apportion the cost to various departments on the most equitable basis and service department cost to production departments in 4 : 4 : 2 ratio.