

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – COMMERCE

FOURTH SEMESTER – APRIL 2022

UCO 4501 – COST ACCOUNTING

Date: 16-06-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

Section – A (10 x 2 = 20 Marks)

Answer ALL questions

1. What do you mean by ABC Analysis?
2. Write a short note on 'Labour Turnover'.
3. Define 'Overheads'.
4. What is work-in progress?
5. What do you understand by 'Abnormal Loss'?
6. What are Joint-Products?
7. What is 'Memorandum Reconciliation Account'?
8. Calculate the economic order quantity from the following particulars:

| | |
|----------------------------|--------------|
| Annual Usage | 20,000 units |
| Buying cost per order | Rs.10 |
| Cost Per Unit | Rs.100 |
| Cost of carrying inventory | 10% of cost. |

9. Calculate standard time:
Standard output of product Z : 20 units a day of 8 hours
Actual output on 16-9-2020 : 25 units
10. Compute the depreciation chargeable to each department.
Depreciation Rs.55,000
Machinery Value in Department:
A – Rs.2,00,000; B – Rs.4,00,000; C-Rs.5,00,000.

Section – B (4 x 10 = 40 Marks)

Answer any FOUR questions

11. Explain the format of cost sheet.
12. Compare and contrast the Process Costing with Job Costing.
13. Elucidate the usual bases adopted for apportionment of overheads by convention.
14. From the following information, calculate:
 - (a) Maximum stock level
 - (b) Minimum stock level
 - (c) Reorder level
 - (d) Average stock levelMinimum consumption – 240 units per day
Maximum consumption – 420 units per day
Normal consumption - 300 units per day
Reorder quantity – 3,600 units
Normal reorder period – 12 days. Maximum Reorder Period 15Days.
Minimum Reorder Period 10 Days

15. Ram Metal Company gives the following information:

| | | |
|----------------------------------|---|-----|
| Number of employees on 1-4-2009 | : | 400 |
| Number of employees on 31-3-2010 | : | 480 |
| Number of employees resigned | : | 40 |
| Number of employees discharged | : | 10 |
| Number of employees replaced | : | 36 |

Calculate labour turnover by applying (a) Separation method (b) Replacement method (c) Flux method.

16. Prepare a statement of reconciliation from the following:

- (a) Profit as per cost accounts Rs.1,50,300
- (b) Factory overhead under charged in cost books Rs.8,000
- (c) Administration overhead under charged in financial accounts Rs.3,000
- (d) Depreciation over charged in cost accounts Rs.1,900
- (e) Interest on deposits Rs.990
- (f) Share transfer fees in financial accounts Rs.240
- (g) Provision for income tax Rs.97,000

17. Vignesh Travels, a transport company is running two buses between two places 100 kilometres apart.

The seating capacity of each bus is 50 passengers. The following particulars are taken from their books for a month:

| | Rs. |
|---------------------------------|-------|
| Wages of drivers and conductors | 3,000 |
| Salary of office staff | 1,500 |
| Fuel cost | 6,000 |
| Repairs and maintenance | 1,500 |
| Insurance | 2,000 |
| Depreciation | 3,000 |
| Interest and other charges | 2,500 |

The actual passengers carried were 80% of the capacity. The buses ran on all the 30 days in a month. Each bus made a to and fro trip every day. Find out the cost per passenger kilometer.

Section – C (2 x 20 = 40 Marks)

Answer any TWO questions

18. The following data relate to the manufacturing of a standard product during the month of March 2016:

| | |
|-------------------------|-------------------|
| Raw materials consumed | Rs.20,000 |
| Direct wages | Rs.12,000 |
| Machine hours worked | 1,000 hours |
| Machine hour rate | Rs.2 per hour |
| Office overhead | 20% on works cost |
| Selling overhead | Re.0.4 per unit |
| Units produced | 20,000 units |
| Units sold at Rs.3 each | 18,000 units |

Prepare a cost sheet to show:

- (a) Prime cost
- (b) Works cost
- (c) Cost of production
- (d) Cost of production of goods sold
- (e) Cost of sales
- (f) Profit

19. Enter the following transactions in the stores ledger of Y material using FIFO method
May 1980

- 1 Balance 250 units at Re.1 per unit
- 2 Issued 50 units on material requisition No.61
- 6 Received 800 units, vide goods received [Note No.13] at Rs.1.10 per unit
- 7 Issued 300 units on Material requisition No. 63
- 8 Returned to stores 20 units issued on material requisition No.61
- 12 Received 300 units as per goods received note No.15 at Rs.1.20 per unit
- 15 Issued 320 units [Material requisition No.83]
- 18 Received 100 units, vide goods received note No.77 at 1.20 per unit
- 20 Issued 80 units [Material requisition No.102]
- 23 Returned to vendors 20 units from goods received note No.77 received on 18th May
- 27 Received 200 units on goods received note No.96 at Re.1 per unit
- 28 Freight paid on purchase [vide goods received note No.96] Rs.50
- 30 Issued 250 units on material requisition No.113

20. The following particulars relate to a manufacturing company which has three departments A,B.C and two service departments X and Y.

| | Departments | | | | |
|---|-------------|----------|----------|----------|----------|
| | A Rs. | B Rs. | C Rs. | X Rs. | Y Rs. |
| Total departmental overhead as per primary distribution | 6,300 | 7,400 | 2,800 | 4,500 | 2,000 |

The company decided to charge the service department cost on the basis of the following percentage:

| | Production Departments | | | Service Departments | |
|---|------------------------|-----|-----|---------------------|------|
| | A | B | C | X | Y |
| X | 40% | 30% | 20% | --- | 10% |
| Y | 30% | 30% | 20% | 20% | ---- |

Find the total overhead of production departments on the Repeated Distribution method.

21. The following details are extracted from the costing records of an oil mill for the year ended 31st March 2021;

Purchase of 5,400 tons of coconut – Rs.2,20,000

| | Crushing Rs. | Refining Rs. | Finishing Rs. |
|----------------------|-----------------|-----------------|------------------|
| Cost of Labour | 2,750 | 1,100 | 1650 |
| Electric Power | 660 | 396 | 264 |
| Sundry Material | 110 | 2,200 | -- |
| Repairs to Machinery | 308 | 363 | 154 |
| Steam | 660 | 495 | 495 |
| Factory Expenses | 1,452 | 726 | 242 |

Cost of casks – Rs.8,250

3,200 tons of crude oil was produced. 2,600 tons of oil was produced by the refining process and 2,550 tons of refined oil was finished for delivery.

Coconut sacks sold Rs.440
 1,925 tons of coconut residue oil Rs.12,100
 Loss in weight in crushing 275 tons
 500 tons of by products
 Obtained from refining process Rs.7,425
 Prepare relevant process account.
