

**ST. JOSEPH’S COLLEGE (AUTONOMOUS) BENGALURU-27**

**SEMESTER EXAMINATION- APRIL 2023**

**B.COM: IV SEMESTER**

**(Examination conducted in May 2023)**

**BC 4122 / BPS 4122: COST ACCOUNTING-1**

**TIME: 2Hour MAX. MARKS: 60 Marks**

**SECTION A**

**Answer any FIVE of the following questions. Each question carries three marks. (5x3=15)**

1. Give the cost units for the following:
   1. Transport.
   2. Jute
   3. Interior decoration
2. What is the difference between Direct and Indirect materials? Give examples of each.
3. Give the meaning of apportionment. Name the basis of apportionment for the following;
   1. Perquisites
   2. Air conditioning
   3. Lighting
4. What is muster roll? Explain any two of the uses of muster roll.
5. The annual consumption of Product X is 600 units at a price of ₹ 20 per unit. The ordering cost is expected to be ₹ 12. The inventory carrying cost per unit is ₹ 4. How often should the company place an order?
6. The cost of production of a particular product is ₹ 35000. And the company estimates ₹ 10000 for the advertisement expenses, what will be the selling price of the product if the company expects 10% profit on sales?

**SECTION B**

**Answer any TWO of the following questions. Each question carries five marks. (2x5=10)**

1. Discuss any five material control techniques.
2. Using a Taylor’s plan, calculate the earnings of workers from the following information. Normal rate per hour = Rs. 12.

Standard time per piece = 20 minutes

In a 9 – hour day, Amir produces 26 units and Samir produces 30 units.

1. TVS Ltd., made a Net Profit of Rs. 5,71,000 during the year 2023 as per the their financial system. Whereas their cost accounts disclosed a profit of Rs. 7,77,200. On reconciliation, the following differences were noticed :
2. Director’s fees charged in financial account, but not in cost account Rs. 13,000.
3. Bank interest credited in financial account, but not in cost account Rs. 600.
4. Income Tax charged in financial account, but not in cost account Rs. 1,66,000.
5. Bad and doubtful debts written off Rs. 11,400 in financial accounts.
6. Overheads charged in costing books Rs. 1,70,000 but actual were Rs. 1,66,400.
7. Loss on sale of old machinery Rs.20,000 charged in financial accounts.
8. The depreciation method followed in financial accounting was straight line method which reported a depreciation of Rs. 300 whereas the depreciation method under cost accounting was machine hour rate which also showed a depreciation of Rs. 300.

**SECTION C**

**Answer any TWO of the following questions. Each question carries ten marks. (2x10=20)**

1. Enumerate reasons for the differences between cost accounting and financial accounting?
2. Gold life enterprises has three Production departments JOY, JOLY, JOSE and Two Service departments LOYCE and JOYCE. From the under mentioned particulars calculate labor hour rate for each of production departments:

| Rent & rates | 62,500 | Power | 25,000 |
| --- | --- | --- | --- |
| General lighting | 7,500 | Depreciation on Machinery | 50,000 |
| Indirect wages | 18,750 | Insurance of machinery | 20,000 |

Other information:

|  | JOY | JOLY | JOSE | LOYCE | JOYCE |
| --- | --- | --- | --- | --- | --- |
| Direct wages (Rs) | 37,500 | 25,000 | 37,500 | 18,750 | 6,250 |
| HP of machines used | 60 | 30 | 50 | 10 | - |
| Cost of machinery (Rs) | 3,00,000 | 4,00,000 | 5,00,000 | 25,000 | 25,000 |
| Floor space (Sq. ft) | 2,000 | 2,500 | 3,000 | 2,000 | 500 |
| Number of light points | 10 | 15 | 20 | 10 | 5 |
| Production hours worked | 6,225 | 4,050 | 4,100 | - | - |

Expenses of the service departments S1 and S2 are reapportioned as below:

|  | JOY | JOLY | JOSE | LOYCE | JOYCE |
| --- | --- | --- | --- | --- | --- |
| S1 | 20% | 30% | 40% | - | 10% |
| S2 | 40% | 20% | 30% | 10% | - |

Required:

Show primary distribution and secondary distribution summary (Simultaneous equation method).

1. Following is a history of the receipts and issues of materials in a factory during Jan 2023:

| Jan 1 | Opening balance | 500 quintals @ Rs.25 |
| --- | --- | --- |
| 3 | Issue | 70 quintals |
| 4 | Issue | 100 quintals |
| 8 | Issue | 80 quintals |
| 13 | Received from vendor | 200 quintals @ Rs. 24.50 |
| 14 | Refund of surplus from a work order | 15 quintals @Rs. 24 |
| 16 | Issue | 180 quintals |
| 20 | Received from vendor | 240 quintals @ Rs. 24.375 |
| 24 | Issue | 304 quintals |
| 25 | Received from vendor | 320 quintals @ Rs. 34.315 |
| 26 | Issue | 112 quintals |
| 27 | Refund of surplus from work order | 12 quintals @Rs. 24.50 |
| 28 | Received from vendor | 100 quintals @ Rs. 25 |

Issues are to be priced under the principle of “First-in-first-out”. The stock verifier of the factory noted that on 15th there was a shortage of 5 quintals and on 27th another shortage of 8 quintals. Prepare stores ledger account.

**SECTION D**

**Answer the following compulsory question. The question carries Fifteen marks. (10+5=15)**

1. Answer the following;
2. From the following particulars prepare cost sheet for the period ending 31-3-2023

| Particulars | Amount (₹) |
| --- | --- |
| Opening stock of material  Purchases  Direct wages  Other Direct expenses  Factory expenses  Closing stock of material  Office overheads  Selling and distribution expenses  Opening stock of finished goods (1000 units)  Closing stock of finished goods (2000 units)  Units produced during the year | 10,000  85,000  20,000  10,000  100% of wages  4000  10% of works cost  ₹ 2 per unit sold  16000  ?  10,000 units |

**b)** iPlanet is largest distributor of iPhones in India. A periodic inventory check of iPhones is taken when the books are closed at the end of each month. The following summary of information is available for the month of April 2023.

| Total Sales amount | 94,45,000 |
| --- | --- |
| General admin cost | 2,50,000 |
| Opening stock : 100 units @ Rs. 30000/- per unit | 3,00,000 |
| Purchases (including freight in)  April 1st 200 Units @ Rs. 35000/- per unit  April 30th 150 Units @ Rs. 33,000/- per unit  Closing stock on April 30th is 175 units |  |

Compute the total profit for the month of April using FIFO method inventory costing

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