

Registration Number:

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**ST JOSEPH’S UNIVERSITY, BENGALURU -27**

**B.Com –** 4th  **SEMESTER**

**SEMESTER EXAMINATION: APRIL 2024**

**(Examination conducted in May / June 2024)**

**BC4122 / BPS4122 COST ACCOUNTING**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

**This paper contains 4 printed pages and 4 parts**

**Section A**

**I.** Answer ***any five*** of the following (3 x 5 = 15 marks)

1. Define cost accounting.
2. Write any three advantages of ABC technique.
3. List any three measures to reduce labour turnover.
4. What is the need for reconciliation of cost and financial accounts?
5. Mention any 3 items which are purely financial income.
6. XY Co. requires 1500 units of a material per month, each costing Rs. 27. Cost per order is Rs.150 and the inventory carrying charges work out to 20% of the average inventory. Find out the economic order quantity and the number of orders per year.

**Section B**

**II.** Answer ***any two*** of the following (**5 x 2 = 10 marks)**

1. Briefly explain the system of wage payment.
2. From the following figures, prepare a reconciliation statement

Net profit as per financial accounts- 1,13,000

Net profit as per Cost accounts- 2,00,000

Income tax provided in financial accounts-60,000

Share transfer fees credited in financial accounts-4,000

Overheads recovered as per cost accounts-34,000

 Overheads charged in financial accounts- 28,000

Company provided for doubtful debts- 20,000

Directors fees shown in financial accounts -8,000

Depreciation charged in financial accounts-7,000

Value of closing stock in cost accounts -18,750

Value of opening stock in financial accounts-20,750

Interest on investments not included in cost accounts- 4,000

Goodwill written off in financial accounts-9000

Stores adjustments credited in financial accounts -1,000

1. In manufacturing its products, a company uses three raw materials A, B and C in respect of which the following applies:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Raw materials | Usage per unit of productKg | Re-order qtyKg | Price per kg (Paisa) | Delivery period (weeks) | Order level Kg | Minimum levelKg |
| A | 10 | 10,000 | 10 | 1 to 3 | 8,000 | - |
| B | 4 | 5,000 | 30 | 3 to 5 | 4,750 | - |
| C | 6 | 10,000 | 15 | 2 to 4 | - | 2.000 |

Weekly production varies from 175 to 225 units, averaging 200 units. What would you expect the quantities of the following to be?

1. Minimum stock of A
2. Maximum stock of B
3. Re-order level of C

**Section C**

**III.** Answer ***any two*** of the following (**10 x 2 = 20 marks)**

1. Demonstrate the classification of overheads.

1. From the following particulars, calculate the earnings of a worker under:

a) Straight piece rate system

b) Taylor’s Differential piece rate system

c) Halsey premium plan

d) Rowan premium plan

Weekly working hours- 35 hours

Piece rate per unit- Rs.8

Hourly rate of wages- Rs.13

Normal time taken per piece – 9 minutes

Normal output per week – 250 pieces

Actual output of the worker per week- 310 pieces

Differentials price rate to be applied: 80% of piece rate for below normal and 120% of piece rate at or above normal output.

1. Lakshmi Ltd. has 3 production department and two service departments. From the following figures prepare the overhead distribution summary using simultaneous equation method and also calculate overhead rate per labour hour.

|  |  |  |
| --- | --- | --- |
| Particulars | Production department | Service department |
|  | A | B | C | X | Y |
| Direct material | 45000 | 30,000 | 15,000 | 12,000 | 9,000 |
| Direct wages | 30,000 | 22,500 | 15,000 | 6000 | 4,500 |
| Value of machine | 60,000 | 45,000 | 30,000 | - | - |
| Floor area(sq.feet) | 30,000 | 20,000 | 15,000 | 10,000 | 5,000 |
| HP rate of machine | 240 | 200 | 160 | - | - |
| No.of light points | 120 | 90 | 60 | 30 | 20 |
| No. of labour hrs | 8000 | 6,000 | 4,000 | - | - |

 Other details:

Indirect materials 522,200

Indirect wages 15,600

Depreciation on machinery 27,000

Depreciation on building 12,000

Rent Rate and Taxes 9,000.

Electric power 33,750

Lighting 2,400

General expenses 7,800

The service rendered by each department to other department are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | A | B | C | X | Y |
| X | 30 % | 40% | 20% | - | 10% |
| Y | 10 % | 20% | 50% | 20% | - |

**Section D**

**IV. Answer the following (15marks)**

1. Following is the history of receipts and issues of raw-material in X Itd. during April 2014.

2014 April 01 Opening balance 500 units at Rs.25 per unit.

03 March Issued 250 units

13 March Purchased 200 units at Rs.24.5 per unit

14 March Return of surplus 15 units at Rs.24

16 March Issued 180. units

21 March Purchased 240 units at Rs.24.4 per unit

24 March Issued 304 units

25 March Purchased 320 units at Rs.24.3 per unit

26 March Issued 112 units

27 March Return of surplus 12 units at Rs.24.5 per unit

28 March Purchased 100 units at Rs.25 per unit and paid freight charges Rs.200

The stock verification reveals that on 15th April 2014, there was a shortage of 5 units and on 27th April another shortage of 8 units.

You are required to prepare the stores ledger under FIFO.