Register Number:

Date:10-04-2018 ( 9am)

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|  | **ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27** |
| **B.COM - IV SEMESTER** |
| **END SEMESTER EXAMINATION: APRIL 2018** |
| **BC 4116 – COST ACCOUNTING** |
| **Time- 2.5 hr** |  |  **Max Marks-70** |  |

**This paper contains \_\_\_printed pages and four parts**

**PART A**

 **(Answer any 5 Questions) 5\*2=10 marks**

1. Give 2 examples of Factory overheads.

2. The following information are available .Calculate a. Reorder Level b. Reorder Quantity

 Maximum level : 8400 units; Maximum Consumption :1500 units per month

 Minimum Consumption :800 units per month; Lead time :2 to 4 months.

3.What is a cost centre?

4. What is idle time?

5. How is ABC analysis different from VED analysis

6. What do you mean by apportionment of overheads?

7. Mention any two reasons to reconcile cost accounting and financial accounting books

 **PART B**

 **(Answer any Three Questions) 3\*5=15 marks**

8.Describe the important steps in purchase procedure.

 9.Prepare a cost sheet from the following information:

 Direct Wages : 2, 50,000

 Direct Material : 3, 18,200

 Direct Expenses : 30,000

 Sales : 7, 80,000

 Travelling expenses : 3,600

 Traveller’s Commission : 8,500

 Depreciation on Machinery : 6,500

 Depreciation on office Machinery : 1,000

**BC 4116-B-18**

 Directors fees : 12,000

 Managers salary ; 24,000

 General Expenses : 4000

Cash Discount ; 300

Factory rent : 5,000

 Office rent : 4,000

 Works rent ; 15,400

 Oil,gas and water(3/4factory and ¼ office) 2,800

 Drawing office salary : 10.000

 Counting house salary : 18,800

Carriage outwards : 5,400

Dividends paid : 9,000

10.A machine is purchased for Rs9,200.The scrap value of the machine is 200 and life of the machine is 18000 hours.The effective working hours during a year is 1800 hours.Repairs is Rs.1080 for the entire machine.Power consumption is 5 units per hour at a cost of 6 paise per unit. The standing charges are as follows:

 Rent 780 (the machine occupies 1/5 of the total space)

 Salary to foremen 6000(1/4 is attributed to the machine)

 Insurance premium 36

 Cotton and waste 60

 Light 288(There are 12 light points of which 2 lightpoints are for the machine)

Calculate MHR.

11.The profits of a company as per financial records is Rs.74,500.Prepare a reconciliation statement and find out profit as per costing records.

Income tax paid 10,000

Bank interest received recorded only in financial accounts 250

Factory overheads under recovered in costing 1550

Depreciation according to financial books 5600

Depreciation according to costing books 6000

Administration overheads over recorded in costing 850

Loss due to obsolescence charged only in financial accounts 2800

Interest received only in financial accounts 2000

Stores adjustment income credited only in financial accounts 240

Loss due to difference in stock vale recorded only in financial accounts 3350

12. The standard time taken for a job is 20 hours. The actual time taken by a worker is 15 hours. The rate is Rs.2 per hour plus DA of 60 paisa per hour. Calculate the wages under a. Halsey plan b. Rowan plan

 **PART C**

 **(Answer any Three Questions) 3\*10=30 marks**

13.Differences between Cost Accounting and Financial Accounting.

14.From the following transactions prepare a stores ledger under FIFO method of pricing.

 Feb 1 :Opening balance 500 units @200 per unit

 Feb 3 :Issued 70 units to department X

 Feb 4 :Issued 100 units

 Feb 8 :Issued 80 units

 Feb 13 :Received 200 units@190 per unit

 Feb 14 :Returned from department X 15 units

 Feb 16 :Issued 180 units

 Feb 20 :Purchased 240 @190 per unit

 Feb 24 :Issued 300 units

 Feb 25 :Purchased 320 units @190 per unit

 Feb 26 :Issued 115 units to department Y

 Feb 27 :Returned from department Y 35 units

 Feb 28 ;Received 100 units @190 per unit

The stock verifier found a shortage of 10 units on the 22 of February.

15.A company has 3 production departments and 2 service departments.The primary distribution summary is a s follows:

P(A) P(B) P(C) S(D) S(E)

3000 2000 1000 234 300

 The overheads of the services department should be distributed as follows:

A B C D E

D 20% 40% 30% - 10%

E 40% 20% 20% 20% -

Show the secondary distribution summary according to

a .Simultaneous equation method

b. Repeated distribution method

16.A factory produces two types of products A and B. Particulars

A B

Materials 81,900 3,26,040

Labour 46,800 2,09,760

Selling price per unit 3000 3000

Units sold 78 286

Factory expenses are 80%of labour and administration expenses are 15%on works cost.

a)Prepare a cost sheet

b) Find out the profits as per financial records assuming the works expenses are 1,92,000 and office expenses are 1,40,400.Also reconcile the profits shown by the costing and financial records.

17 . What is Labour turnover. Explain the causes of labour turnover.

**PART D**

 **(Answer The Following Question) 1\*15=15 marks**

18. The following data is obtained for the year ending 31-12-17

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| Direct Material  | 90,000 |
| Direct wages  | 75,000 |
| Factory o/h | 45,000 |
| Selling and distribution o/h | 52,500 |
| Administration o/h | 42,000 |
| Profit | 60,900 |

a). Prepare a cost sheet.

b). In 2018, the factory received a similar order, it is estimated that direct material will be 120,000 and Direct labour cost is 75,000. What should be the price quoted for this order if factory intends to earn the same rate of profit on sales. Assume selling and distribution o/h has gone up by 15%. Factory o/h should be recovered as a percentage of direct wages. Administration, selling &distribution o/h should be recovered as a percentage works cost.