



**B.Com. III Semester Degree Examination, March/April - 2023**

**COMMERCE**

**Cost Accounting - I**

**(NEP)**

Time : 2 Hours

Maximum Marks : 60

**SECTION - A**

Answer the following sub-questions. Each sub-question carries **one** mark. **10x1=10**

1. (a) What is costing ?
- (b) What is cost unit ?
- (c) Expand FIFO and LIFO.
- (d) Mention the types of materials.
- (e) State any two incentive schemes of labour cost.
- (f) What is labour cost ?
- (g) What is overhead ?
- (h) What are secondary distribution summary methods ?
- (i) State any one financial charge.
- (j) What is reconciliation statement ?

**SECTION - B**

Answer **any four** of the following questions.

**4x5=20**

2. Explain five similarities between cost accounting and financial accounting.
3. Calculate Economic order quantity from the following of Sahan Co. Ltd.  
Annual consumption 500 units  
Ordering cost ₹ 9 per order  
Carrying cost 10% of material price  
Material price per unit ₹ 12.



**P.T.O.**

4. Calculate the earnings of Mr. Madhava from the following information under :

(a) Time rate

(b) Piece rate system

Normal wages per day of 8 hours ₹ 24

Standard output per day 24 units

Actually he has worked 12 hours

He produced 40 units.

5. How do you apportion the following costs :

(a) Indirect wages

(b) Rent

(c) Lighting and heating

(d) Motive power

(e) Sundry Expenses

6. Prepare Reconciliation statement from the following :

Profit as per Cost Account	₹ 20,000
Stores adjustment credited	₹ 1,000
Overhead over recovery	₹ 8,800
Goodwill written off	₹ 1,300
Under valuation of opening stock	₹ 1,500
Over valuation of closing stock	₹ 2,500

7. Calculate Re-order level and minimum stock level from the following :

Normal usage 200 units per week

Minimum usage 100 units per week

Maximum usage 300 units per week

Re-order quantity = 1,200 units per week

Re-order period = 4-6 weeks



**SECTION - C**

Answer **any three** of the following questions.

**3x10=30**

8. From the following particulars prepare cost sheet showing.

(a) Prime cost	
(b) Works cost	
(c) Cost of production	
(d) Profit	
Stock on 1-1-2019	
Raw materials	₹ 30,000
Work-in-progress	₹ 22,500
Stock on 31-12-2019	
Raw materials	₹ 22,500
Work-in-progress	₹ 7,500
Purchase of Raw materials	₹ 2,40,000
Octroi	₹ 7,500
Carriage outwards	₹ 15,000
Wages	₹ 45,000
Sales	₹ 4,50,000
Salaries to salesman	₹ 12,000
Power (10% of sales office)	₹ 15,000
Salaries to office staff	₹ 12,000
Rent rates and Taxes	
(20% of sales office)	₹ 12,000
Printing and Stationery	₹ 6,000
Sale of scrap	₹ 4,500
Interest on capital	₹ 18,000
Publicity Expenses	₹ 22,500
Commission on sales staff	₹ 18,000

9. From the following transactions of Mr. Maruthi Ltd, prepare store ledger and find out the closing stock under FIFO method.

June 1 Balance of 250 units at ₹ 10 each.

June 5 Purchased 3,000 units at ₹ 12 each.

June 8 Issued 2,500 units.

June 10 Purchased 5,000 units at ₹ 14 each.

June 15 Return to suppliers 200 units purchased on 10<sup>th</sup> June.

June 16 Purchased 4,000 units @ ₹ 11 each.

June 20 Issued 6,000 units.

June 22 Issued 2,000 units.

June 24 Purchased 5,500 units at ₹ 15 each.

June 26 Issued 3,500 units.

June 30 Verification reveals a shortage of 100 units.



10. Calculate earnings of workers P, Q, R and S under :

- (a) Straight piece rate
- (b) Time rate and
- (c) Taylor differential piece rate system

Standard time per unit = 6 minutes

Normal rate = Rs. 5 per hour

Differential piece rates

80% of piece rate below the standard

120% of piece rate at or above the standard

In a day of 8 hours, the production by different workers is as under

P = 70 units Q = 80 units R = 90 units S = 100 units.

11. Mr. Madhava Steel Ltd. has three Production Departments P<sub>1</sub>, P<sub>2</sub> and P<sub>3</sub> and one Service Dept "S".

The following are the costs incurred in the month of January.

Rent of factory	₹ 2,000
Repairs to plant	₹ 1,200
Depreciation	₹ 900
Lighting and heating	₹ 200
Supervision	₹ 3,000
Insurance on stock	₹ 1,000
Employers liability insurance	₹ 300
Motive power	₹ 1,800

The following data are also available in respect of these four departments.

Departments	P <sub>1</sub>	P <sub>2</sub>	P <sub>3</sub>	S
Area in Sq.Ft	150	110	90	50
Number of workers	24	16	12	08
Total wages (₹)	8,000	6,000	4,000	2,000
Value of plant (₹)	24,000	18,000	12,000	6,000
Value of stock (₹)	15,000	9,000	6,000	-

Apportion the costs to the various department on primary distribution summary.



12. From the following figures, prepare a reconciliation statement.

Net profit as per Financial books	₹ 31,890
Net profit as per costing books	₹ 33,380
Factory cost under recovered in Cost Account	₹ 2,850
Administrative cost recovered in excess	₹ 2,125
Depreciation charged in Financial books	₹ 1,830
Depreciation charged in costing books	₹ 11,975
Interest received but not included in costing books	₹ 225
Income tax provided in financial books	₹ 300
Bank Interest credited in Financial books	₹ 115
Stores adjustment credited in Financial books	₹ 210
Depreciation of stock charged in financial accounts	₹ 430
Dividend paid in Financial books	₹ 600
Loss due to theft in Financial books	₹ 130

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