# 21BCOM3C9



# B.Com. III Semester Degree Examination, April/May - 2024 COMMERCE

### **Cost Accounting - I**

(NEP)

Time: 2 Hours Maximum Marks: 60

**Note:** Answer **all** sections according to internal choice.

#### **SECTION - A**

1. Answer the following sub-questions. Each sub-question carries 1 mark. 10x1=10

- (a) Give the meaning of cost.
- (b) Why a cost sheet is prepared?
- (c) What is Stores Ledger?
- (d) What is Re-order level?
- (e) What do you mean by Employee cost?
- (f) How do you calculate incentive under Halsey plan?
- (g) What is overhead?
- (h) What is meant by Secondary distribution of overheads?
- (i) What is Reconciliation statement?
- (j) State one reason for disagreement in profit as per cost accounts and financial accounts.

#### **SECTION - B**

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

4x5=20

- **2.** Explain the objectives of cost accounting.
- **3.** Calculate Economic order quantity from the following information:

Annual consumption : 10,000 units

Cost of ordering : Rs. 20 per order

Cost of material per unit : Rs. 15 Storage cost per annum : 5% Interest rate per annum : 15%



- **4.** Calculate:
  - (a) Re-order level and

(b) Maximum stock level from the following information.

Minimum usage - 250 units per month

Maximum usage - 750 units per month

Economic order quantity - 3,000 units
Re-order period - 4 to 6 months

**5.** Calculate the earnings of a worker under Rowan plan.

Standard time - 30 hours Time taken - 20 hours Wages per hour - Rs. 15

**6.** From the following information, calculate machine hour rate:

Cost of machine - Rs. 80,000 Scrap value after 10 years - Rs. 2,000 Repairs per annum - Rs. 1,000

Power 2 units per hour at Rs. 5 per unit. Estimated working hours p.a. 2000 hours.

7. Prepare a Reconciliation Statement from the following:

Profit as per cost accounts Rs. 20,000

Interest debited in financial accounts Rs. 1,000

Over recovery of overheads in cost accounts Rs. 5,600

Preliminary expenses written off Rs. 2,400 under valuation of opening stock in cost accounts Rs. 3,200.

#### **SECTION - C**

Answer any three of the following questions.

3x10=30

**8.** From the following particulars prepare a cost sheet:

	Rs.
Opening stock of raw materials	30,000
Raw materials purchased	4,50,000
Wages paid	2,00,000
Wages outstanding	30,000
Factory overhead	92,000
Opening work-in-progress	12,000
Closing stock of raw materials	25,000
Closing stock of work-in-progress	15,000
Opening stock of finished goods	60,000
Closing stock of finished goods	55,000
Selling & distribution overhead	20,000
Sales	9,00,000
Administrative overhead	30,000



**9.** From the following, prepare a stores ledger and findout the closing balance under FIFO method.

March 1 Balance of 125 units at Rs. 100 each

March 5 Purchased 1500 units at Rs. 120 each

March 8 Issued 1250 units

March 10 purchased 2500 units at Rs. 140 each

March 15 Returned to supplier 100 units purchased on 10<sup>th</sup> March

March 16 Purchased 2,000 units at Rs. 110 each

March 20 Issued 3,000 units

March 24 Purchased 2750 units at Rs. 115 each

March 27 Issued 1800 units

March 30 Shortage found on stock verficiation 50 units

**10.** Compute the earnings of 'A' and 'B' under Taylor's differential piece rate system from the following :

Normal rate per hour : Rs. 12

Standard time per unit : 30 seconds

Differentials to be applied : 80% of piece rate below standard

120% of piece rate at or above standard

Workers production per day of

8 hours is : A-800 units, B-1,000 units

**11.** The New Horizon company is having three production departments 'A', 'B' and 'C' and one service department 'D'. The expenses of different items are as follows:

Factory Rent : Rs. 9,000
Repairs to plant : Rs. 600
Depreciation : Rs. 4,500
Light : Rs. 1,200
Supervision : Rs. 6,000
Fire insurance : Rs. 500

Employer's liability for

Insurance : Rs. 150 Power : Rs. 1800

The following information is available in respect of the four departments:

Particulars	Dept-'A'	Dept-'B'	Dept-'C'	Dept-'D'
Area in sq. ft.	1,500	1,100	900	500
Number of Employees	20	15	10	5
H.P. of machines	800	500	200	-
Value of plant (Rs)	48,000	36,000	24,000	12,000
Value of stock (Rs)	15,000	9,000	6,000	-
Wages (Rs)	6,000	4,000	2,000	3,000

Apportion the costs to various departments and prepare primary distribution summary.



## 12. Prepare Reconciliation statement from the following data:

		Ks.
(a)	Net profit as per cost accounts	1,00,000
(b)	Income tax provided in financial accounts	30,000
(c)	Provision for doubtful debts	10,000
(d)	Overheads as per cost accounts	17,000
(e)	Overheads charged in financial accounts	14,000
(f)	Share transfer fees credited in financial accounts	2,000
(g)	Directors fees shown in financial accounts	4,000
(h)	Depreciation charged in financial accounts only	3,500
(i)	Value of closing stock in cost accounts	10,500
(j)	Value of closing stock in financial accounts	9,500
(k)	Goodwill written off in financial accounts	4,500
(1)	Interest on investment not included in cost accounts	2,000



