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III Semester B.Com. (Regular, A&F, LSCM, I&AS) Degree Examination,

March/April - 2024

COMMERCE

Cost Accounting

(CBCS-NEP Scheme)

Paper : 3.3



Time : 2½ Hours

Maximum Marks : 60

*Instructions to Candidates:*

Answers should be written Completely in English only.

**SECTION - A**

Answer any Five of the following Sub-questions. Each Sub-question carries 2 marks.  
(5×2=10)

1. a) Define Costing.
- b) What is cost unit? Give examples.
- c) What is Bin card?
- d) Expand FIFO and LIFO.
- e) What is Idle Time?
- f) What is Employee Cost? Give two examples.
- g) Define overhead.

**SECTION - B**

Answer any Four of the following questions. Each question carries 5 marks.

(4×5=20)

2. What is Cost Accounting? State the differences between Cost Accounting and Financial Accounting.
3. From the following information calculate EOQ and also number of orders to be placed in a year.

Quarterly consumption of materials	4,000 units
Cost of placing one order	Rs. 100
Cost per unit	Rs. 80
Storage and carrying cost	8%

[P.T.O.]



4. From the following information compute Machine Hour Rate in respect of Machine 'M' for the month of December 2023.

Cost of Machine	Rs. 24,000
Estimated scrap value	Rs. 4,000
Estimated working life of the Machine	20,000 hours
Total hours worked during the month of December	400 hours
Estimated cost of repairs for working life of machine	Rs. 5,000
Department overhead allocated to this machine for the month of December 2023	Rs.200

The machine consumes 10 units of power per hour at a cost of Rs.0.40 per unit.

5. Calculate the earnings of Mr. Mohan and Mr. Manohar under Taylor's Differential Piece Rate System.

Normal rate per hour - Rs. 24

Standard time per unit - 30 seconds

Differential Piece Rates to be applied:

80% of piece rate for below standard

120% of piece rate for at or above standard

Actual production in a day of 8 hours:

Mohan - 800 units and Manohar - 1,000 units.

6. The following information has been obtained from the records of Bangalore pharmaceuticals for the period from 1-4-2022 to 31-3-2023.

	1-4-2022	31-3-2023
	Rs.	Rs.
Cost of raw materials	30,000	25,000
Cost of Work - in - progress	12,000	15,000
Cost of Finished Goods	60,000	55,000
<i>Transactions during the year are:</i>		
Purchase of Raw Materials	4,50,000	
Wages paid	2,30,000	
Factory Overheads	92,000	
Administrative Overheads	30,000	
Selling and Distribution overheads	20,000	
Sales	9,00,000	

Prepare Cost sheet showing profit or loss of the firm.



## SECTION - C

Answer any Two of the following questions. Each question carries 12 marks. (2×12=24)

7. The following transactions occurred in purchases and issues of materials in an organization during the month of December 2023.

Receipts	Quantity	Rate
04-12-2023	800 units	Rs. 24 per unit
10-12-2023	600 units	Rs. 23 per unit
18-12-2023	400 units	Rs. 24 per unit
22-12-2023	400 units	Rs. 23 per unit
Issues	Quantity	
05-12-2023	1,000 units	
12-12-2023	800 units	
25-12-2023	1,000 units	

The stock on 01-12-2023 was 800 units @ Rs. 25 per unit. Stores audit showed a surplus of 10 units on 31-12-2023. Prepare the stores Ledger Account under FIFO and LIFO Method.

8. There are three production departments A, B and C and two service departments D and E. The following figures are extracted from the books of Shivashakthi Sugars Ltd. for the month ending January 2023. You are required to prepare the overhead Distribution Summary.

Rent and Taxes	Rs. 10,000
Indirect labour cost	Rs. 3,000
Depreciation on Machinery	Rs. 20,000
General Lighting	Rs. 1,200
Power	Rs. 3,000
Sundry Expenses	Rs. 20,000

Following further details are given:

	A	B	C	D	E
Floor space (sq . ft.)	4,000	5,000	6,000	4,000	1,000
Light points	20	30	40	20	10
Direct wages (Rs.)	6,000	4,000	6,000	3,000	1,000
H.P of Machine	120	60	100	20	--
Value of Machinery	1,20,000	1,60,000	2,00,000	10,000	10,000

The expenses of service Department D and E are to be distributed as follows:

	A	B	C
Dept. D	30%	30%	40%
Dept. E	40%	25%	35%

[P.T.O.]

9. The following data is furnished by a company for the year ending 2023.

Stock of materials on 1-1-2023	Rs. 70,000
Stock of materials on 31-12-2023	Rs. 10,000
Purchase of materials	Rs. 1,00,000
Direct wages	Rs. 2,00,000
Factory Expenses	Rs. 36,000
Administrative Expenses	Rs. 44,000
Opening stock of Finished Goods on 1-1-2023	Rs. NIL
Closing stock of Finished Goods on 31-12-2023	Rs. 40,000
Sales	Rs. 5,00,000

Production during 2023 was 4,000 units.

During the year 2024 the company received an order for the supply of 5,000 units. During 2024, the cost of materials increased by 15% and that of direct wages by 10%. Prepare a statement of cost for the year 2023 and Estimated cost sheet for the year 2024 showing the price to be quoted per unit, if the same percentage of profit is maintained as in the previous year. Assume that the overhead charges will be the same as it was in 2023.

#### SECTION - D

Answer any One of the following questions. The question carries 6 marks. (1×6=6)

1. Mention the causes of labour Turnover in manufacturing organisation.
2. List out at least three overhead items each under:
  - i) Factory
  - ii) Administrative
  - iii) Selling and Distribution.