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BCMCMCN 303

**III Semester B.Com. Degree Examination, February/March 2023
(NEP 2020) (2022 – 23 Batch Onwards)
COST ACCOUNTING (DSCC)**

Time : 2 Hours

Max. Marks : 60

SECTION – A

Answer any five of the following questions.

(2×5=10)

1. Define Costing.
2. What is a cost center ?
3. Mention any two objectives of cost accounting.
4. What do you mean by labour turnover ?
5. What is time keeping ?
6. What is centralized purchasing system ?
7. What is Reconciliation Statement ?
8. Calculate EOQ from the following :

Annual usage 6,000 units, cost of material per unit Rs. 20, cost of placing and receiving one order Rs. 60 and annual carrying cost of one unit of inventory is Rs. 2.

SECTION – B

Answer any four of the following questions.

(5×4=20)

9. Distinguish between Overhead Allocation and Apportionment.
10. The following figures have been obtained from the books of Bhuvan Ltd., for the year 2021 :

Particulars	Rs.
Cost of materials	3,00,000
Direct wages	2,50,000

P.T.O.



Factory overheads	1,50,000
Administrative overheads	1,68,000
Selling overheads	1,12,000
Distribution charges	70,000
Profit	2,10,000

A work order has been executed in 2022 and the following expenses have been incurred :

Material Rs. 4,000 and Wages Rs. 2,500.

Assuming that in 2022 the rate of factory charges has increased by 20%, distribution charges have gone down by 10% and selling and administration charges have each gone up by 12%, at what price should the product be sold so as to earn the same rate of profit on the selling price as in 2021 ?

Factory overhead is based on direct wages, while all other overheads are based on factory cost.

11. Following are the details relating to material 'T'. Write up the relevant Bin Card for February. Bin No. : 20, Code No. : PB 5, Minimum level : 3,000 units, Re-order level : 4,000 units. Re-order quantity : 3,000 units, Maximum level : 7,000 units.

Feb. 1	Opening stock	1,000 units
" 3	Issued SR No. 73	250 units
" 6	Received GR No. 57	4,000 units
" 11	Returned to store SC No. 33	1,500 units
" 15	Received GR No. 63	1,500 units
" 19	Issued SR No. 95	1,600 units
" 22	Received GR No. 73	500 units
" 23	Issued SR No. 99	600 units
" 25	Returned to supplier PO No. 27	200 units
" "	Shortage	50 units.



12. Two components A and B are used as follows :

Normal usage 300 units per week each, Maximum usage 450 units per week each

Minimum usage 150 units per week each

Reorder quantity A : 2400 units B : 3600 units

Reorder period A : 4 to 6 weeks, B : 2 to 4 weeks

Calculate for each component : Reorder level, Minimum level, Maximum level and Average stock level.

13. Calculate the total earnings of two workers under :

a) Halsey Plan

b) Rowan Plan

Std. Time 48 Hrs., Time taken A : 50 Hrs, B : 42 Hrs., Time Rate Rs. 50 per hour.

14. Write the suitable basis for the apportionment of the following overheads to different cost centres or departments :

a) Labour welfare expenses

b) Insurance

c) Sundry expenses

d) Lighting

e) Electric power

f) Depreciation on machinery

g) Rent

h) Indirect wages

i) Miscellaneous expenses

j) Selling and distribution overhead.



SECTION – C

Answer any two of the following questions.

(15×2=30)

15. The following details are extracted from the books of Canada Springs Limited, Mangalore for the year ending 31/03/2021.

Factory Wages	Rs. 6,00,000	Drawing office Expenses	Rs. 36,000
Purchase of Materials	Rs. 7,20,000	Printing, Stationery	Rs. 12,000
Lubricants	Rs. 36,000	Counting House Salary	Rs. 12,000
Carriage inwards	Rs. 8,640	Sales	Rs. 18,00,000
Wages of foreman	Rs. 48,000	Stock on 1/04/2020	
Wages of storekeeper	Rs. 6,000	Raw Materials	Rs. 1,20,000
Cost of Research	Rs. 30,000	Work-in-Progress	Rs. 28,800
Income tax	Rs. 22,000	Finished Products (units)	6,000
Donations	Rs. 5,000	Stock on 31/03/2021	
Office Managers Salary	Rs. 72,000	Raw Materials	Rs. 1,33,440
Other consumables	Rs. 6,000	Work-in-Progress	Rs. 96,000
Power and Fuel	Rs. 54,000	Finished Products (units)	12,000

Selling and distribution expenses are to be charged at Re. 1 per unit.
 During the year 2020 – 21 the number of units produced is 96,000.

Prepare a cost sheet showing different elements of cost and profit.

16. From the following particulars, prepare a stores Ledger Account under FIFO method for the Month of August, 2021.

August	1	Opening balance 250 units at Rs. 1.10 per unit
"	3	Received 100 units @ Rs. 1.20 per unit GR No. 13
"	4	Issued 50 units MR No. 61
"	6	Received 800 units @ Rs. 1.30 per unit GR No. 14
"	7	Issued 300 units MR No. 62
"	8	Returned to stores 20 units issued out of MR No. 61
"	12	Received 300 units @ Rs. 1.40 per unit GR No. 15
"	15	Issued 320 units MR No. 63
"	18	Received 100 units @ Rs. 1.40 per unit GR No. 16
"	20	Stock verification revealed loss of 20 units
"	21	Issued 100 units MR No. 64
"	23	Returned to vendors 30 units received as per GR No. 16
"	28	Received 200 units @ Re. 1 per unit GR No. 17
"	30	Freight paid Rs.70 on purchase as per GR No. 17
"	31	Issued 150 units MR No. 65
"	31	Excess of 5 units were found on stock verification

17. A company has 3 production departments and 2 service departments.
The primary distribution summary reveals the following figures of overheads :

Production Departments :

A – Rs. 3000

B – Rs. 2000

C – Rs. 1000

Service Departments :

P – Rs. 234

Q – Rs. 300

The overheads of service departments are charged to production departments on a percentage basis.

Departments	A	B	C	P	Q
P	20%	40%	30%	–	10%
Q	40%	20%	20%	20%	–

Find out the total overheads of production departments under simultaneous equation method.

18. The profits as per Financial books for the year ended 31-12-2021 is Rs. 2,98,100. Following details are ascertained on comparison of cost and financial accounts.

Items	Cost A/c (Rs.)	Financial A/c (Rs.)
Stock on 01-01-2021		
Raw materials	1,00,000	1,20,000
Work-in-progress	1,30,000	1,40,000
Finished goods	90,000	1,00,000
Stock on 31-12-2021		
Raw materials	86,000	80,000
Work-in-progress	74,000	60,000
Finished goods	1,24,000	1,18,000
Direct expenses	–	1,18,000
Purchases	–	60,000
Wages	–	8,00,000
		4,00,000



Factory expenses	4,00,000	4,00,000
Sales	-	22,00,000
Interest received	-	32,000
Office expenses	46,000	60,000
Income tax	-	15,000
Loss on sale of Investments	-	17,000
Selling expenses	90,000	80,000

Prepare a cost sheet showing costing profit and also draw up a reconciliation statement as on 31-12-2021.
