

CLASS: B.B.A.

15A/46

St. JOSEPH'S COLLEGE (AUTONOMOUS) TIRUCHIRAPPALLI – 620 002

SEMESTER EXAMINATIONS – APRIL 2015

TIME: 2 Hrs. 20 Min.

MAXIMUM MARKS: 70

SEM	SET	PAPER CODE	TITLE OF THE PAPER
II	2014	14UBU230204	COST ACCOUNTING

SECTION – B

Answer all the questions:

5 x 5 = 25

31. a. Differentiate cost accounting and management accounting.

OR

b. The following data relate to the manufacture of a standard product during the four weeks ended 26th March 1991.

Raw material consumed ` 15,000

Direct wages ` 9,000

Machine hours worked 900 hours

Machine hour rate ` 5

Administrative overheads 20% on works cost

Selling overheads ` 0.50 per unit

Units produced 17,100

Units sold 16,000 @ ` 4 each

You are required to prepare a cost sheet in respect of the above showing the cost of production per unit.

32. a. Calculate Economic Order Quantity:

Annual usage 6,000 units

Ordering cost ` 60 per order

Cost of materials per unit ` 20

Annual carrying cost 2 per unit

OR

- b. Two types of material X and Y are used in a factory as follows:
- Normal usage : 600 units per week
 Maximum usage : 900 units per week
 Minimum usage : 300 units per week
 Re-order quantity : X-4,800 units Y-7,200 units
 Re-order period : X- 4 to 6 weeks Y- 2 to 4 weeks
 Calculate a) Re-order level b) Minimum level.
33. a. Calculate the earnings of workers A, B and C under Straight Piece Rate System, from the following particulars.
- Normal rate per hour - ` 1.80
 Standard time per unit – 1 minute
 Output per day is as follows:
 Worker A : 383 units
 Worker B : 450 units
 Worker C : 552 units
 Normal working hours per day are 8 hours.
- OR**
- b. Calculate the earnings of workers A and B under Taylor's Differential Piece-rate System.
- Normal rate per hour = ` 1.8
 Standard time per unit = 20 seconds
 Differentials to be applied:
 80% of piece rate below standard, 120% of piece rate at or above standard.
 Worker A produces, 1,300 units per day and worker B produces 1,500 units per day.
34. a. In a factory, there are two service departments P and Q and three productions departments A, B, and C. In April, the departmental expenses were:
- | | |
|--------------|--------------|
| A ` 6,50,000 | P ` 1,20,000 |
| B ` 6,00,000 | Q ` 1,00,000 |
| C ` 5,00,000 | |

The service department expenses are allocated on a percentage basis as follows:

Service Department	Production Department			Service Department	
	A	B	C	P	Q
P	30%	40%	15%	--	15%
Q	40%	30%	25%	5%	--

Prepare a statement showing the distribution of the two service department expenses to three departments under the “Repeated Distribution Method”.

OR

- b. From the following particulars, calculate the machine hour rate for a drilling machine.
- Cost of the machine - ₹ 19,200
 Estimated scrap value - ₹ 1,200
 Average repairs and maintenance - ₹ 150 p.m.
 Standing charges allocated - ₹ 50 p.m.
 Effective working life of the machine – 10,000 hours
 Running time per month – 166 hours
 Power used by machine – 5 units per hour @ 20 paise per unit
35. a. Profit as per cost accounts ₹ 1,50,300. From the following information prepare a reconciliation statement and find out profit as per financial accounts.
- Works overhead ₹ 4,000 under recovered in cost account.
 - Administration overhead ₹ 1,500 over charged in financial accounts.
 - Depreciation over recovered in cost accounts ₹ 95.
 - Interest on investments ₹ 495.
 - Share transfer fees (receipt) as per financial accounts ₹ 120.
 - Provision for taxation ₹ 48,500.

OR

- b. Ms. Ram Kumar produced the product 'Tom' which goes through three distinct process. The following information is available from his accounts:

Items	Process I	Process II	Process III
Direct materials	10,000	6,000	4,000
Direct wages	4,000	2,000	2,000
Direct expenses	8,000	4,000	2,000

SECTION – C

Answer any THREE questions:

3 x 15 = 45

36. The following information has been obtained from the records of Centre Corporation for the period from January 1 to June 30, 2005. Prepare a Cost-sheet.

	1-1-2005	30-6-2005
	()	()
Cost of raw materials	30,000	25,000
Cost of work-in-progress	12,000	15,000
Cost of stock of finished goods	60,000	55,000

Transactions during six months are:

Purchase of raw materials	4,50,000
Wages period	2,30,000
Factory overheads	92,000
Administration overheads	30,000
Selling and distribution overheads	20,000
Sales	9,00,000

37. X Limited has purchased and issued the material on the following order:

January 1 Purchased 300 units @ ` 3 per unit
January 4 Purchased 600 units @ ` 4 per unit
January 6 Issued 500 units
January 10 Purchased 700 units @ ` 4 per unit

January 15 Issued 800 units
 January 20 Purchased 300 units @ ` 5 per unit
 January 23 Issued ` 100 units.

Ascertain the quantity of closing stock as on 31st January by preparing stores ledger account under first in first out method.

38. During a week a worker produced 300 units working for 48 hours. The hourly rate is ` 4. The estimated time to produce a unit is 10 minutes. Under incentive scheme, 20% additional time is allowed. Calculate his gross earnings under Halsey and Rowan Plans.
39. The Modern Company is divided into four departments – A, B, C are producing departments and D is a service department. The actual costs for a period are as follows:

	`
Rent	1,000
Repairs to plant	600
Depreciation on plant	450
Employer's liability for insurance	150
Supervision	1,000
Fire insurance in respect of stock	500
Power	900
Light	120

The following information is available in respect of four departments:

Particulars	Dept. A	Dept. B	Dept. C	Dept. D
Area (sq. meters)	1,500	1,100	900	500
No. of employees	20	15	10	5
Total wages (₹)	6,000	4,000	3,000	2,000
Value of Plant (₹)	24,000	18,000	12,000	6,000
Value of Stock (₹)	15,000	9,000	6,000	--
H.P. of plant	24	18	12	6

Apportion the costs of the various departments on the most equitable basis.

40. The following figures relate to two jobs of a manufacturing business, which was completed in the week ending 6th June 1998. Compute the total cost by preparing a cost sheet with this information.

Particulars	Job No. 1	Job No. 2
Direct materials	2,000	3,200
Direct labour	1,600	2,400
Chargeable expenses	400	600

Charge works overheads at 50% on direct labour and office overheads at 10% on works cost. What shall be the job price if 10% profit is determined on the supply price?
