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B.M.S. COLLEGE FOR WOMEN
BENGALURU -560004

III SEMESTER END EXAMINATION - JAN/FEB 2024

B.Com. – COST ACCOUNTING
(NEP Scheme 2022-23 Onwards F+R)

Course Code: COM3DSC09

Duration: 2 ½ Hours

QP Code: 3023

Max. Marks: 60

Instructions: Answer all the sections.

SECTION-A

1. Answer any FIVE of the following. Each question carries TWO marks. (5X2=10)

- Write any two differences between Cost Accounting and Financial Accounting.
- What do you mean by Bin Card?
- What is Semi-variable cost? Give an example.
- State any Four Techniques of Inventory Control.
- Define Overhead.
- What are the elements of Cost?
- Calculate EOQ from the following.

Annual Consumption- 12,000 units, Cost of ordering- Rs. 15 per order, cost of material- Rs. 1.25 per unit, Carrying cost - 20% of Average inventory

SECTION-B

Answer any FOUR of the following. Each question carries FIVE marks. (4X5=20)

- Define Cost Accounting. Explain its Objectives.
- Calculate Re-order level, Minimum Level, Maximum Level and Average level from the following information relating to Material A:
Re-order Quantity- 3,600 units
Re-order period- 3 to 5 weeks
Maximum Consumption- 900 units per week
Minimum Consumption - 300 units per week
Normal Consumption - 600 units per week
- From the following calculate the Earnings of Worker A and B under Halsey plan and Rowan Scheme of payment.

Worker	A	B
Standard Time (Hours)	3	5
Actual Time (Hours)	5	4
Basic Wages per hour (Rs)	2	2

5. Prepare a Stores Ledger under Weighted Average Method using the following particulars.

Date	Receipt (Units)	Rate Per Unit	Issues (Units)
1-3-2023	6,500	20	-
8-3-2023	8,500	25	-
12-3-2023	-	-	10,000
18-3-2023	15,000	30	-
22-3-2023	-	-	7,500
31-3-2021	-	-	3,000

6. From the following data calculate Machine Hour Rate.

Particulars	Rs.
Cost of machine	5,00,000
Installation Expenses	50,000
Estimated scrap value after 15 years	25,000
Rent and rates per annum	10,000
General Lighting per annum	15,000
Insurance of machine per annum	48,000
Repair and Maintenance of machine Per annum	50,000
Supervisor's salary per month	30,000

The machine consumes 10 units of electric power per hour and the rate of power per 10 units is Rs. 100. Estimated working hours per annum is 2,200, which includes Maintenance and Setting-up time of 200 hours. The machine occupies $\frac{1}{4}$ th of the floor area and the supervisor devotes $\frac{1}{5}$ th of his time on this machine.

SECTION-C

Answer any TWO of the following. Each question carries TWELVE marks.

(2X12=24)

7. The following particulars have been extracted for the year 2023.

	₹
Cost of materials	6,00,000
Wages	5,00,000
Factory overheads	3,00,000
Administration charges	3,36,000
Selling charges	2,24,000
Distribution charges	1,40,000
Profit	4,20,000

A work order has to be executed in 2024 and the estimated expenses are: material - ₹ 8,000 and wages - ₹ 5,000.

Assuming that in 2024, the rate of Factory Overheads have gone up by 20%, Distribution Charges have gone down by 10% and Selling and Administration charges have gone each up by 15%. Prepare a Statement of Cost for the year 2023 and a Tender Statement for the year 2024 so as to earn the same rate

of profit on the selling price as in 2023. Factory Overheads are based on Wages and Administration, Selling and Distribution overheads on factory cost.

8. Prepare from the following data a Stores Ledger Account in a proper format using FIFO method of pricing the material issues:

Date	Transactions
1-11-2023	Opening stock 400 units at Rs. 8 per unit
5-11-2023	Purchased 800 units at Rs. 7.80 per unit
8-11-2023	Issued to production Department 480 units
10-11-2023	Issued to Production Department 320 units
12-11-2023.	Purchased 1,000 units at Rs. 7.70 per unit
15-11-2023	Issued to Production Department 800 units
16-11-2023	Purchased 500 units at Rs. 7.50 per unit
19-11-2023	Purchased 1,200 units at Rs. 7 per unit and paid freight charges of Rs. 300
21-11-2023	Issued to Production Department 700 units
24-11-2023	Issued to Production Department 520 units
27-11-2023	Issued to Production Department 680 units
28-11-2023	Refund of surplus from work order 50 units from issues of 10 th November.

On 30th November 2023, the stock verification report revealed a shortage of 20 units.

9. Prema Ltd has Three Production and Two Service Departments. From the following figures, prepare the Overhead Distribution Summary, using Repeated Distribution Method for Secondary Distribution.

Particulars	Production Departments			Service Departments	
	A	B	C	X	Y
Direct Materials (Rs)	22,500	15,000	7,500	6,000	4,500
Direct Wages (Rs)	15,000	11,250	7,500	3,000	2,250
Value of Machines (Rs)	30,000	22,500	15,000	-	-
Floor Space (sq.ft)	15,000	10,000	7,500	5,000	2,500
Horsepower of machines	120	100	80	-	-
Number of Light Points	60	45	30	15	10
Number of Labour Hours	4,000	3,000	2,000	-	-

Other details are as follows:

	Rs.
Indirect Materials	11,100
Indirect Wages	7,800
Depreciation on Machinery	13,500
Depreciation on Buildings	6,000
Rent, Rates and Taxes	4,500

Electric power	16,875
Lighting	1,200
General Expenses	3,900

The Service rendered by each Service Department to other Departments is as follows:

Department	A	B	C	X	Y
X	30%	40%	20%	-	10%
Y	10%	20%	50%	20%	-

SECTION-D

Answer any ONE of the following. Each Question carries SIX marks. (1X6=6)

10. Mention the Causes of Labour Turnover in manufacturing Organisations.
11. List out any 6 documents used for Material Accounting.

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