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

III SEMESTER END EXAMINATION - JAN/FEB 2024

B.Com. A&F - COST ACCOUNTING
(NEP Scheme 2021-22 Onwards)

Course Code: BAF3DSC09

Duration: 2 ½ Hours

QP Code: 3038

Max. Marks: 60

Instructions: Answer all the sections.

SECTION-A

I. Answer any Five of the following questions. Each question carries Two Marks. (5x2=10)

- Define Cost Accounting.
- Give the meaning of Cost Sheet.
- State any two causes of Idle time.
- Mention any 4 techniques of Inventory control
- What do you mean by Overheads?
- What is a Bin card?
- List any 4 duties of a Store keeper?

SECTION-B

II. Answer any Four of the following question. Each question carries Five Marks. (4x5=20)

- Outline the differences between Financial Accounting and Cost Accounting
- Calculate Reorder level, Minimum level and average stock level from the following information

Normal Usage	300 Units per week
Maximum.Usage	450 Units per week
Minimum Usage	150 Units per week
Reorder period	4 to 6 weeks
Reorder quantity	2400 Units

- Calculate the earnings of worker Suresh under straight piece rate system and Taylor's Differential Piece rate System from the following Particulars:

Normal rate per Hour = ₹ 1.80

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 Suresh produces 1300 units in a 8 hour work day.

5. Compute Machine hour rate from the following data:

1. Cost of the machine ₹2,00,000.
2. Installation Charges ₹20,000.
3. Estimated scrap value after the expiry of 15 years of life ₹10,000.
4. Rent for the shop per month ₹400.
5. General lighting for the shop per month ₹600.
6. Insurance for the machine per annum ₹1,920
7. Repairs per annum ₹2,000
8. Power 10 units per hour
9. Rate of power for 100 units ₹40
10. Estimated working hours per annum ₹2,000
11. Shop supervisor salary ₹1,200 per month
12. The machine occupies 1/4th of the total area of the shop
13. The Supervisor devotes 1/3rd of his time for this machine.

6. Calculate EOQ from the following information. also state the number of orders that has to be placed in a year

Annual Consumption	20,000 kgs
Cost of placing one order	₹40
Cost per kg of materials	₹4
Storage cost	8% of average inventory

SECTION-C

III Answer any Two of the following question. Each question carries Twelve Marks. (2 x12= 24)

7. From the following particulars prepare stores ledger account under LIFO method of pricing of Material Issues.

- | | |
|-----------|--|
| 1.3.2023 | Opening stock 200 tones @ of Rs 480 per ton |
| 6.3.2023 | Issued 140 ton |
| 7.3.2023 | Purchasing 350 tones @ of Rs 460 per ton |
| 8.3.2023 | Condemned due to deterioration in transferred to scrap 30 tones (loss) |
| 9.3.2023 | Issued 80 tones |
| 14.3.2023 | Issued 210 tones |
| 17.3.2023 | Purchased 200 tones @ of Rs 480 per ton |
| 20.3.2023 | Issued 280 tones |
| 25.3.2023 | Purchased 280 tones @ of Rs 470 per ton |
| 28.3.2023 | Issued 293 tones |

Excess found in stock 43 tones due to wrong weighing during the month (21.3.2023).

8. The following details are available from a company's books:

Particulars	₹
Stock of raw material on 1-1-2023	10,800
Stock of finished goods on 1-1-2023	28,000
Purchases during the year	2,94,000
Productive wages	1,98,800
Sales of finished goods	5,92,000
Stock of finished goods on 31-12-2023	30,000
Stock of raw material on 31-12-2023	13,600
Works overhead	43,736
Office expenses related to production	35,524

The company is about to send a tender for large plant. The costing department estimates that the material require for its production would cost ₹ 20,000 and wages for making the plant would cost ₹ 12,000. Tender is to be made keeping a net profit of 20% on the selling price. State what would be the amount of the tender, if based on the percentages?

9. An Engineering company is having four departments A, B & C are Production Departments. D is the Service Department. The actual cost incurred were as follows.

Cost	₹
Rent	2,000
Repairs	1,200
Depreciation	900
Light	200
Supervision	3,000
Insurance of stock	1,000
Employees Insurance	300
Power	1,000

The following data are also available in respect of the 4 departments.

Particulars	Production Department			Service Department
	A	B	C	D
Area in Sq.ft.	150	110	90	50
No of Workers	24	16	12	8
Total Wages (₹)	8,000	6,000	4,000	2,000
Value of Plant (₹)	24,000	18,000	12,000	6,000
Value of Stock (₹)	15,000	9,000	6,000	-----
Working hours	144	120	80	-----

- a) Prepare statement showing overhead distribution summary by Apportioning the cost to various departments in most equitable way and Apportion service department cost to production department in the ratio of 2:2:1.
- b) Also calculate hourly rate of each production department.

SECTION-D

IV Answer any One of the following questions carries Six Marks.

(1x6= 06)

10. Name any 6 documents used in material accounting
11. Prepare a cost sheet using imaginary figures.

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