

**B.COM.(C.S) DEGREE EXAMINATION NOVEMBER 2019  
CORPORATE SECRETARYSHIP  
FIRST SEMESTER**

**COURSE : MAJOR – CORE  
PAPER : COST AND MANAGEMENT ACCOUNTING  
TIME : 3 HOURS**

**MAX. MARKS: 100**

**SECTION – A**

**ANSWER ALL QUESTIONS:**

**(10 x 3 = 30)**

1. What is Cost Sheet?
2. State the different methods of Calculating Labour Turnover.
3. Write a note on Solvency Ratios.
4. What is Break Even Point?
5. What do you understand by Zero Based Budgeting?
6. Calculate Contribution and Profit Volume Ratio.

	Rs.
Total Fixed Costs	18,000
Total Variable costs	30,000
Total Sales	60,000
Units sold	20,000

7. Find out earning per share from the following data:

	Rs.
Net profit after tax	2,00,000
10% Preference Share capital	4,00,000
Equity Share Capital (Rs.100 each)	10,00,000

8. Prepare a Production Budget from the following information

Product	Sales ( in Units)	Opening Stock (in units)	Closing Stock (in units)
R	20000	5000	4000
S	25000	6000	6000
T	50000	10000	11000

9. From the following information, find out: (a) Current Assets, (b) Current Liabilities and (c) Stock

Current Ratio = 3.5, Liquid Ratio = 2.5, Working Capital = Rs. 1,00,000

10. Calculate the Economic Order Quantity from the following information.

Consumption of Materials per annum	Rs. 600
Order placing costs per order	Rs. 12
Cost per kg. of Raw Materials	Rs. 20
Storage Cost	20% on Average Inventory

## SECTION – B

## ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. The following transactions occur in the purchase and issue of a material:

2 <sup>nd</sup> January 90	Purchased	4000 units at Rs.4 per unit
20 <sup>th</sup> January 90	Purchased	500 units at Rs.5 per unit
5 <sup>th</sup> February 90	Issued	2000 units
10 <sup>th</sup> February 90	Purchased	6000 units at Rs.6 per unit
12 <sup>th</sup> February 90	Issued	4000 units
2 <sup>nd</sup> March 90	Issued	1000 units
5 <sup>th</sup> March 90	Issued	2000 units
15 <sup>th</sup> March 90	Purchased	4500 units at Rs.5.50 per unit
20 <sup>th</sup> March 90	Issued	3000 units

Prepare stores ledger account under Weighted Average Method.

12. With the following data for 60% capacity, prepare a Flexible Budget at 80% Activity.

Production at 60% capacity	-	600 units
Materials	-	Rs.100 per unit
Labour	-	Rs.40 per unit
Direct expenses	-	Rs.10 per unit
Factory Expenses	-	Rs.40000 (40% Fixed)
Administration Expenses	-	Rs.30000 (60% Fixed)

13. From the following details supplied by a firm, calculate labour turnover.

Total Number of Employees at the Beginning of the Month	-	2,500
Number of employees Recruited during the month	-	60
Number of employees Left during the month	-	100
Total Number of employees at the end of the month	-	2,460

Out of the employees recruited, 30 were for expansion work and remaining were recruited to fill vacancies due to separation.

14. Calculate the earnings of workers A and B under straight piece rate system and Taylor's differential piece rate system.

Normal rate per hour ` . 60

Standard time per unit 5 Minutes

In a 9 hour day Worker A produced 100 units and Worker B produced 120 units per day.

Differentials to be applied: 80% of Piece Rate when output is below Standard

120% of Piece Rate When Output is at or above Standard

15. Calculate the Machine Hour Rate from the following:

Cost of machine: Rs. 16,000, Scrap value: Rs. 1000, Effective Working life: 10,000 hours, running time Per four weekly periods: 160 Hours, Average cost of Repairs and maintenance charges Per four weekly periods: Rs. 120, Standing charges For four weekly periods: Rs. 40, Power: 4 units per hour at .05 paise per unit.

16. The Sales and Profits for 2016 and 2017 are as follows:

Year	Sales (in Rs)	Profit (in Rs)
2016	1,50,000	20,000
2017	1,70,000	25,000

- Find out: (a) Profit Volume Ratio  
 (b) Break Even Point  
 (c) Sales to earn a Profit of Rs.40000  
 (d) Profit when sales are of Rs.250000 and  
 (e) Margin of Safety at a Profit of Rs.50000.

17. Calculate Re-order Level, Minimum Level and Maximum Level, and from the following:

Re-order quantity	: 1,500 units
Re-order Period	: 4 to 6 weeks
Maximum Consumption	: 400 units per week
Normal Consumption	: 300 units per week
Minimum Consumption	: 250 units per week

18. Following is the Profit and Loss Account of a company for the year ending 31.12.2017.

Particulars	Rs	Particulars	Rs.
To Opening Stock	1,00,000	By Sales	5,60,000
To purchases	3,50,000	By Closing Stock	1,00,000
To Wages	9,000		
To Gross Profit c/d	2,01,000		
Total	6,60,000	Total	6,60,000
To Administrative Expenses	20,000	By Gross Profit b/d	2,01,000
To Selling & Distribution Expenses	89,000	By Interest from outside business	10,000
To Non-operating Expenses	30,000	By Profit on sale of investments	8,000
To Net Profit	80,000		
Total	2,19,000	Total	2,19,000

Calculate:

- (a) Gross Profit Ratio  
 (b) Net Profit Ratio  
 (c) Operating Ratio  
 (d) Operating Profit Ratio

### SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 15 = 30)

19. From the following balances of X Limited, you are required to prepare a Comparative Balance Sheet

Liabilities	2015	2016	Assets	2015	2016
Equity Capital	80,000	80,000	Plant	80,000	74,000
8 % Debentures	80,000	90,000	Building	60,000	54,000
Reserves	40,000	49,000	Stock	40,000	60,000
Creditors	50,000	70,000	Cash	20,000	8,000
Bills Payable	10,000	15,000	Debtors	40,000	80,000
			Furniture	20,000	28,000
Total	2,60,000	3,04,000	Total	2,60,000	3,04,000

20. XYZ Company wishes to arrange O .D .facilities with its bankers during the period April to June, when it will be manufacturing mostly for stock. Prepare a Cash Budget for the above period from the following data:

Months	Sales Rs.	Purchases Rs.	Wages Rs.
February	180000	124800	12000
March	192000	144000	14000
April	108000	243000	11000
May	174000	246000	10000
June	126000	268000	15000

- a) 50% of credit sales is realized in the month following the sale and the other 50% in the second month following.  
 b) Creditors are paid in the month following the month of purchase.  
 c) Wages are paid at the end of the respective month.  
 d) Cash at bank on 1<sup>st</sup> April - Rs.25000

21. A manufacturing company has three production departments and two service departments. The departmental expenses were as follows:

	Production Department A	Production department B	Production Department C	Service Department X	Service Department Y
Expenses	65000	60000	50000	12000	10000

The service department expenses are charged on the following percentage basis:

	A	B	C	X	Y
X	30%	40%	15%	----	15%
Y	40%	30%	25%	5%	

Distribute the service department expenses over the production departments under Repeated Distribution Method.

22. The following information is available in respect of Product P and Q. Prepare a Marginal Cost Statement.

	Product P Rs.	Product Q Rs.
Direct Materials	12	14.50
Selling Price	49	60
Direct Labour	20	25
Variable Overheads: 75% of labour		
Fixed Overheads: Rs. 1,500		

Recommend which of the following sales mixes should be adopted?

- a) 1,800 units of P and 1,500 Units of Q  
 b) 1,100 units of P and 900 Units of Q  
 c) 800 units of P and 350 units of Q

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