

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.

(For candidates admitted during the academic year 2020-21 and thereafter)

COURSE CODE: 19AF/MC/CC23

B.COM (ACCOUNTING & FINANCE) DEGREE EXAMINATION – APR-MAY 2021

COMMERCE – SHIFT II

SECOND SEMESTER

COURSE : MAJOR – CORE

PAPER : COST CONCEPTS AND METHODS

TIME : 90 MINUTES

MAX. MARKS: 50

SECTION – A

Answer all the questions:

(3 x 2 = 6)

1. Calculate EOQ and number of orders to be placed in each year using the following information:
Annual consumption of materials – 2000 units
Cost of buying per order – Rs. 2.50
Cost per unit – Re. 1
Storage and carrying cost – 4% on average inventory
2. Calculate the earnings of a worker under the time rate method:
Standard time 30 hours, time taken 20 hours, hourly rate of wages Re. 1 per hour plus dearness allowance at 50 paise per hour worked.
3. Calculate the passenger kilometers covered by a fleet of 4 taxis run, by City Travels from Hyderabad to Bhuvanagiri(45 km) and back 4 trips each day with 5 passengers on an average on each vehicle, for the month of April.

SECTION – B

Answer any three questions:

(3 x 8 = 24)

4. From the following transactions, prepare stores ledger account using the LIFO method:
2018
June 1 Opening balance 100 units at Rs. 5 each
 6 Received 500 units at Rs. 6 each
 20 Issued 300 units
 25 Issued 200 units
 26 Received 500 units @ Rs. 5 each
 28 Issued 300 units
 30 Issued 250 units

On verification of materials a shortage of 5 units was discovered. This was done on 29th June.

5. From the following data, prepare a statement showing the cost per day of 8 hours of engaging a particular type of labour:
(a) Monthly salary (Basic plus dearness allowance) Rs. 400
(b) Leave salary payable to workman 15% of basic and dearness allowance

- (c) Employee's contribution to provident fund 8% of salary (a & b)
- (d) Employer's contribution to E.S.I. 5% of salary (a & b)
- (e) Pro rata expenditure on amenities to labour Rs. 25 per head per month
- (f) Number of working hours in a month 200

6. The following particulars relate to a manufacturing company which has three production departments A, B and C and two service departments X and Y.

Total departmental Overhead as per primary Distribution (in Rs.)	A	B	C	X	Y
	80000	70000	50000	23400	30000

The company decided to charge the service department cost on the basis of the following percentages:

Service depts.	Production depts.			Service depts.	
	A	B	C	X	Y
X	20%	40%	30%	-	10%
Y	40%	20%	20%	20%	-

Find the total overheads of production departments charging service department costs to production departments on the repeated distribution method.

7. The following are the expenses of Reshma & Co. in respect of a contract which commenced on 1 April 2016:

	Rs.
Materials purchased	60,000
Materials on hand (closing)	5,000
Direct wages	80,000
Plant issued	50,000
Direct expenses	30,000

The contract price was Rs. 5,00,000 and the same was duly received when the contract was completed in December 2016. Indirect expenses are charged at 10% on direct wages. Depreciation 10% per annum to be provided on plant. You are required to prepare the contract A/c and the contractee's A/c.

SECTION – C

Answer the following:

(1 x 20 = 20)

8. From the following particulars you are required to prepare a cost sheet for the year 2019.

	Rs.
Stock of finished goods on Jan 1, 2019	72,800
Stock of raw materials on Jan 1, 2019	33,280
Purchase of raw materials	7,59,200
Productive wages	5,16,880
Sales of finished goods	15,39,200
Stock of finished goods on Dec 31, 2019	78,000

Stock of raw materials on Dec 31, 2019	35,360
Works overhead charges	1,29,220
Office and general expenses	70,161

The company is about to send a tender for a large plant. The costing department has estimated that the materials required would cost Rs. 52,000 and the wages to workmen for making the plant would cost Rs. 31,200. The tender is to be made at a net profit of 20% on the selling price. Prepare a statement showing the selling price to be quoted in the tender.

9. A product is completed in three consecutive processes. During a particular month the input into the Process I of the basic raw material was 5000 units at Rs. 2 per unit. Other information for the month was as follows:

	Process I	Process II	Process III
Output	4700	4300	4050
Normal loss as % of input	5	10	5
Scrap value per unit (Rs.)	1	5	6
Direct wages (Rs.)	3000	5000	8000
Sundry expenses (Rs.)	9750	9910	15560

Overhead Rs. 32000 total chargeable as percentage of direct wages.

There were no opening or closing work in progress. Prepare the process accounts, normal loss and abnormal loss or gain account.
