

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 600086.
(For candidates admitted during the academic year 2019-20 and thereafter)
SUBJECT CODE:19CO/MC/CM14

B.COM. DEGREE EXAMINATION DECEMBER 2020

CORPORATE SECRETARYSHIP

FIRST SEMESTER

COURSE : MAJOR CORE

PAPER : COST AND MANAGEMENT ACCOUNTING

TIME : 90 MINUTES

MAX MARKS:50

SECTION A

Answer All Questions

(3x2 =6)

1. Write a note on Labour Turnover.
2. Compute the Prime cost
 - a. Direct Material - Rs 82,000
 - b. Productive wages – Rs 17,000
 - c. Royalty paid – Rs 11,000
 - d. Hire charges of special machine for the job- Rs. 13,000
3. What is P.V. Ratio?

SECTION B

Answer Any Three Questions

(3x8 =24)

4. A company has three production departments and two service departments their respective expenditure are given below

Production departments : A- Rs. 800, B- Rs. 700, C- Rs. 500

Service departments : X – Rs. 234, Y – Rs. 300

Service departments give their expenses to the other departments in the following manner:

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

Show the distribution of service department overheads under Simultaneous equation method.

5. Calculate (a)EOQ (b) Maximum Level (c) Minimum level (d) Reordering level (e) Average stock level from the following data:

Reorder period – 4 to 6 weeks

Maximum Consumption – 100 units per week

Minimum Consumption - 50 units per week

Normal Consumption - 75 units per week

Annual consumption – 36000 units

Cost per unit – Re 1

Ordering cost – Rs 25, Inventory carrying cost is 20% of unit value.

6. The following particulars are extracted from the records of a Company

Particulars	Product A (Rs)	Product B (Rs)
Sales	100	120
Consumption of material	2 kg	3 kg
Material Cost	10	15
Direct wages	15	10
Direct expenses	5	6
Machine hours used	3	2
Overhead expenses:		
Fixed	5	10
Variable	15	20

Comment on the profitability of each product when

- When Machine hours is the limiting factor.
 - When material is the key factor
 - Sales potential in value is limited.
7. For the production of 10,000 electrical goods the following are the budgeted expenses.

Particulars	Per unit (Rs)
Direct Material	60
Direct Labour	30
Variable overheads	25
Fixed overheads(Rs 1,50,000)	15
Variable expenses(direct)	5
Selling expenses(10% fixed)	5
Administration expenses (Rs 50000 – fixed)	5
Distribution expenses (20% fixed)	5
Total cost	150

Prepare a flexible budget for the production of 6000 electrical goods.

SECTION C

Answer any One Question

(1x20=20)

8. Draw a stores ledger card recording the following transactions under FIFO method

2018 July 1	Opening stock 2000 units at Rs 100 each
5	Received 1000 units at Rs 110 each
6	Issued 500 units
10	Received 500 units at Rs 120 each
12	Received back 50 units out of the issue made on 6 th July
14	Issued 600 units
18	Returned to supplier 100 units out of goods received on 5 th

19	Received back 100 units out of the issue made on 14 th July
20	Issued 150 units
25	Received 500 units at Rs 140 each
28	Issue 300 units

The stock verification report reveals that there was a shortage of 10 units on 18th July and another shortage of 15 units on 26th July.

9. Following are the ratios relating to the trading activities of Neela Traders Ltd.,

Receivables Turnover = 90 days(360 days year)

Inventory Turnover = 3 times

Payables Turnover = 3 months

Gross profit = 25%

Gross profit for the year amounted to Rs 18000. Closing inventory of the year is Rs 2000 above the opening inventory. Bills receivable amount to Rs 2500 and bills payable Rs 1000.

Ascertain the following:

- (a) Sales
- (b) Debtors
- (c) Closing inventory and
- (d) Sundry creditors
