STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2019– 2020 and thereafter)
SUBJECT CODE: 19CO/MC/CM14

B.COM.(C.S) DEGREE EXAMINATION NOVEMBER 2022
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 2 = 20)**

1. Define cost accounting.
2. State any two objectives of material control.
3. List out the methods of measurement of labour turnover.
4. What do you mean by marginal cost?
5. Point out two limitations of ratio analysis.
6. The following details available for the year ended 31st December.2021. Prepare a cost sheet.

Particulars	Amount
Direct material	9,00,000
Direct wages	7,50,000
Profit	6,09,000
Selling & distribution O.H	5,25,000
Administration O.H.	4,20,000
Factory O.H.	4,50,000

7. Find out EOQ from the following:
   Annual requirements – 1600 units
   Cost per unit – Rs. 40
   Cost of placing & receiving one order Rs. 50
   Annual carrying cost – 10%

8. Calculate labour turnover under separation method
   Total no. of employees at the beginning of the month 2010
   No. of employees recruited during the month 30
   No. of employees left during the month 50
   Total no. of employees at the end of the month 1990

9. The fixed expenses of an industrial concern amount to Rs. 180000. Its variable cost per unit Rs. 29 and selling price is Rs.44 per unit. Calculate the break even point.

10. Calculate gross profit ratio from the following

Sales	Rs. 9,00,000
Purchases	Rs. 4,50,000
Opening stock	Rs. 2,00,000
Closing stock	Rs. 65,000

SECTION – B

ANSWER ANY FIVE QUESTIONS: **(5 x 8 = 40)**

11. X ltd. Produced 50000 units of a product. The following are the expenses.

Particulars	Amt.
Raw materials consumed	1,50,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

Prepare cost sheet show the cost per unit & total cost.

12. Two exponents X & Y are used as follows maximum usage 150 units per week each, minimum usage 50 units, normal usage 100 units. Ordering quantities X – 600 units, Y – 1000 units. Delivery period (reorder period) – 4 to 6 weeks for X, 2 to 4 weeks for Y. Maximum reorder period for emergency for X – 2 weeks, Y – 2 weeks. Find (i) reorder level, (ii) Maximum stock level, (iii) Minimum stock level (iv) Danger level (v) Average level.

13. Calculate the earnings of workers X and Y under (A) straight piece rate system and (B) Taylor's differential piece rate system from the following details:
Standard time per unit =12 minutes
Standard rate per hour = Rs.60
Differentials to be used 80% and 120%
In a particular day of 8 hours, worker 'X' produced 30 units and worker 'Y' produced 50 units,

14. Calculate the overhead allocable to production departments A and B from the following: There are two service departments X and Y. X renders service to A and B in the ratio of 3:2 and Y renders service to A and B in the ratio of 9:1. Overheads as per primary overhead distribution is:
A – Rs. 49800, B- Rs.29600, X – 15600, Y – Rs. 10800.

15. X ltd. Presents the following results for one year. Calculate the P/V ratio, BEP and Margin of safety.

Particulars	Amt.
Sales	2,00,000
Variable costs	1,20,000
Fixed cost	50,000
Net profit	30,000

16. From the following details of a trader you are required to calculate stock turnover ratio.
(a)

Particulars	Amt.
Sales	39,984
Sales return	380
Opening stock at cost	1378
Closing stock at cost	1814
Total Gross profit for the year	8068

(b) Calculate stock turnover period and stock turnover ratio from the following:
Gross profit ratio – 20%; Stock at the beginning of the year Rs. 175000; Stock at the end of the year Rs. 145000.

17. From the following balance sheet extracts, compute trend percentages of X Ltd by taking 2016 as the base year.

Particulars	2016 (Rs)	2017 (Rs)	2018 (Rs)	2019 (Rs)	2020 (Rs)	2021 (Rs)
Stock	1,50,000	1,70,000	1,90,000	2,30,000	2,20,000	2,00,000
Debtors	1,40,000	1,20,000	80,000	90,000	1,00,000	1,00,000
Cash	60,000	50,000	50,000	60,000	90,000	1,00,000
Current Liabilities	3,00,000	3,20,000	3,00,000	2,80,000	2,40,000	2,00,000

18. You are required to prepare a production budget for the half year ending June 2000 from the following information:

Product	Budgeted sales Quantity (units)	Actual stock on 31.12.99 (units)	Desired stock on 30.06.2000 (units)
S	20,000	4,000	5,000
T	50,000	6,000	10,000

SECTION – C

ANSWER ANY TWO QUESTIONS: (2 x 20 = 40)

19. The following details have been obtained from the cost records of Raja Sekhar Ltd.

Particulars	Amt.
Stock on 1.12.2021	75,000
Stock on 31.12.2021	91,500
Direct wages	52,500
Indirect wages	2,750
Sales	2,11,000
Work-in-progress 1.12.2021	28,000
Work-in-progress 31.12.2021	35,000
Purchases of raw materials	66,000
Factory rent, rates and power	15,000
Depreciation of plant and machinery	3,500
Expenses on purchases	1,500
Carriage outwards	2,500
Advertising	3,500
Office rent and taxes	2,500
Traveller's wages and commission	6,500
Stock of finished goods 1.12.2021	54,000
Stock of finished goods 31.12.2021	31,000

Prepare a cost sheet giving the maximum possible break up of costs and profit.

20. Y ltd. Has three production departments A, B and C and two service departments X and Y. The following particulars are available for the month of march 1991, concerning the organization.

Rent Rs.15,000
Municipal taxes – Rs. 5,000

Electricity – Rs.2,400
Indirect wages – Rs. 6,000
Power – Rs. 6,000
Depreciation on machinery – Rs.40,000
Canteen expenses – Rs. 30,000
Other labour related costs – Rs. 10,000
Total- $\boxed{\text{Rs. 1,14,400}}$

The following further details are also available:

	Total	A	B	C	X	Y
Floor space (Sq.mts.)	5000	1000	1250	1500	1000	250
Light points	240	40	60	80	40	20
Direct wages	40,000	12,000	8,000	12,000	6,000	2,000
Horse power Machine	150	60	30	50	10	-
Cost of machine	2,00,000	48,000	64,000	80,000	4,000	4,000

The expenses of service departments are to be allocated in the following manner:

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

You are requested to calculate the total overhead of the three production departments.

21.Following are the ratios relating to the trading activities of Ram Traders Ltd., Chennai.
Receivables turnover = 90 days (360 days year)
Inventory turnover = 3 times
Payables turnover = 3 months
Gross profit ratio = 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
(d) Sundry creditors.

22. Draw up a flexible budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity.

Particulars	Per unit. Rs.
Materials	100
Labour	50
Variable expenses (direct)	10
Administrative expenses (50% fixed)	40000
Selling and distribution expenses (60% fixed)	50000
Present production (50% activity)	1000 units

****