

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2015-2016)

SUBJECT CODE : 15CM/MC/CT25

B.Com./B.Com(CS) DEGREE EXAMINATION APRIL 2016
COMMERCE
CORPORATE SECRETARYSHIP
SECOND SEMESTER

COURSE : MAJOR – CORE
PAPER : COST ACCOUNTING
TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

ANSWER ALL QUESTIONS:

(10 x 2 = 20)

1. State the objectives of Cost Accounting.
2. What is a Cost Centre?
3. State the difference between Time Rate and Piece Rate system of wage payment.
4. What is Bin Card?
5. Define Activity Based Costing.
6. Calculate the bonus under Rowan Plan:
Standard Time: 12 Hours; Actual Time: 8 Hours; Time rate: Rs. 1.50 per hour.
7. Ascertain the labour turnover under separation method:
Employees on 1.1.2015 : 14,000
Employees on 31.12.2015 : 16,000
Employees who left during 2015 : 750
8. Compute depreciation chargeable to each department:
Depreciation Rs.88, 000. Machinery value in Dept A: Rs. 2, 00,000;
Dept B: Rs. 4, 00,000; Dept C: Rs. 5, 00,000.
9. From the following information calculate total Kms, and total passenger Kms.
No of buses: 5; Days operated: 25; Trips by each bus: 4; Distance of route: 20 Kms
(one side); Capacity of each bus: 50 passengers; Carrying capacity: 90%.
10. Calculate actual output in Units: Input: 5,000 Units; Normal Loss: 5%; Abnormal Loss: 200 Units.

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. Explain the advantages and limitations of Cost Accounting.
12. State briefly the various techniques used for Inventory Control.
13. From the following particulars Prepare the stores ledger account showing the receipts and issues, pricing the materials issued on the basis of Simple Average Method:

Year 2016	Quantity (Kgs)	Rate per Kg. (Rs)
Jan; 2 Received	2,000	10
Jan; 6 Received	300	12
Jan; 9 Issued	1,200	
Jan; 10 Received	200	14
Jan; 11 Issued	1,000	
Jan; 22 Received	300	11
Jan; 31 Issued	200	

14. Calculate the Normal and Overtime wages payable to a workman from the following data:

Days	Hours worked
Monday	8
Tuesday	10
Wednesday	9
Thursday	11
Friday	9
Saturday	4

Normal working hours: Eight per day, Normal Rate- 0.50 per hour. Overtime Rate- upto nine hours in a day single rate and over in a day double rate. (Or) upto 48 hours at single rate and over 48 hours at double rate, whichever is beneficial to the workmen.

15. Calculate Machine hour rate from the following:
- | | |
|---|-----------|
| Cost of Machine | Rs. 8,000 |
| Cost of installation | 2,000 |
| Scrap value after 5 years | 2,000 |
| Rent for a quarter | 300 |
| General lighting per month | 20 |
| Salary of supervisor per quarter | 100 |
| Insurance premium for a machine per annum. | 60 |
| Repair charges per year | 100 |
| Power 2 units per hour at 5 paise per unit. | |

16. The following information is available in respect of Process B of Product X.

Input	5,000 units at a cost of Rs. 25,000
Process material added	Rs. 12,000
Direct wages	Rs. 8,000
Overheads	Rs. 3,000
Output of Process B	4,800 units.
Normal wastage	5% of input
Scrap value of wastage	Rs. 2 per unit.
Prepare Process B Account.	

17. A Transport company is running two buses between two places of 100 Kms apart. The seating capacity of each bus is 50 passengers. The following particulars are taken from their books for a month:

Wages of drivers and conductors	Rs. 3,000
Salary of office staff	Rs. 1,500
Fuel cost	Rs. 6,000
Repairs and Maintenance	Rs. 1,500
Insurance	Rs. 2,000
Depreciation	Rs. 3,000
Interest and other charges	Rs. 2,500

The actual passengers carried were 80% of the capacity. The buses ran all the days. Each bus made a to and fro trip. Find out the cost per passenger kilometer.

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. The following are the costing records for the year 2004 of a manufacturer:

Production 1,000 units, cost of raw materials Rs. 20,000, Labour cost Rs. 12,000

Factory overhead Rs. 8,000, Office overhead Rs. 4,000

Selling expenses Rs. 1,000

Rate of profit 25% of the selling price.

The manufacturer decided to produce 1500 units in 2005. It is estimated that the cost of raw material will increase by 20%, the labour cost will increase by 10%, 50% of the overhead by 20%. The rate of profit will remain the same.

Prepare a cost statement for 2005 showing the total profit and the selling price per unit.

19. From the following particulars you are required to work out the earnings of a worker for the week under: (a) Straight Piece rate; (ii) Differential Piece rate (c) Halsey premium Plan (50% Sharing) and (iv) Rowan premium Plan

Weekly working hours	: 48
Piece rate per unit	: Rs. 3
Hourly wage rate	: Rs. 7.50

Normal time taken per piece : 20 minutes
 Normal output per week : 120 pieces
 Actual output for the week : 150 pieces
 Differential piece rate- 80% of piece rate when output is below normal and 120% of piece rate when output is above normal.

20. A Ltd has Three Production departments A, B and C and Two service departments X and Y. The following data are extracted from the records of the company for a particular given period.

Particulars	A	B	C	X	Y
Direct Wages (Rs)	15,000	10,000	15,000	7,500	2,500
H.P of Machines Used	60	30	50	10	-
Cost of machinery (Rs)	3,00,000	4,00,000	5,00,000	25,000	25,000
Floor Space (Sq.ft.)	2,000	2,500	3,000	2,000	500
Light points (Numbers)	10	15	20	10	5
Production hours worked	6,226	4,028	4,066		

The expenses for the Period were:

Rent and rates	Rs. 25,000	Depreciation on Machinery	Rs. 50,000
Lighting	Rs. 3,000	Power	Rs. 7,500
Indirect wages	Rs. 7,500	Sundries	Rs. 50,000

Expenses of service departments X and Y are apportioned as below:

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

Compute Overhead rate per production hour of each production department.

21. A product passes through two distinct processes A and B and then to finished stock. The normal wastage of each process is as follows: Process A 3% of the units entering the process, Process B 6% of the units entering the process. Wastages of Process A was sold at Rs, 1 per unit and that of process of B at Rs. 2 per unit. 25,000 units were issued to process A at a cost of Rs. 5 per unit. The other expenses were as follows:

	Process A (Rs)	Process B (Rs)
Sundry materials	15,250	13,850
Wages	25,000	40,000
Manufacturing expenses	5,250	6,000

The actual output was Process A- 23,750, Process B- 22,750. Prepare Process Accounts.
