

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

**SUBJECT CODE : 15CM/MC/CT25**

**B.Com./B.Com (CS) DEGREE EXAMINATION APRIL 2018**  
**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. Define cost centre.
2. State the meaning of tender.
3. What is ABC analysis?
4. A factory consumes 60 units of material per day which is supplied by a vendor in lots of 240 units each at Rs.2,400 per lot. The factory works for 300 days per annum. EOQ is 3,000 units. Find out the frequency of placing orders.
5. Why incentives are given?
6. Calculate the labour turnover rate under separation method. Workers in the year beginning 14,000. Workers at the end of the year 16,000. Worker left 600. Workers discharged 150.
7. Find out the machine hour rate. Consumable stores Rs.600. Repairs Rs. 800. Heat and light Rs.360. Rent Rs.1,200. Building insurance Rs.4,800. Machinery insurance Rs.800. Depreciation on machines Rs. 700. General charges Rs.150. Additional information. Machine working hours -10,000 hours.
8. Explain the term 'variable overhead'.
9. Calculate the total kms. And total passenger kms. from the followings. Number of buses -5. Trips made by each bus -4. Distance en route - 20 kms. (one way). Days operated in a month – 25. Capacity in each bus -50 passengers. Normal passengers travelled - 90% of capacity.
10. Ascertain the abnormal loss or gain from the followings: Input 2,000 units. Normal loss is 10%. Output is 1,620 units.

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS:**

**(5 x 8 = 40)**

11. Explain the methods of costing with examples.
12. Two components of X and Y are used as follows.  
Normal usage - 600 units per week each. Maximum usage - 900 units per week each.  
Minimum usage - 300 units per week each.  
Re-order quantity : X = 4,800 units. Y = 7,200 units  
Re-order period : X = 4 - 6 weeks. Y = 2 to 4 weeks.  
Calculate for each component: a) reorder level. b) minimum level. c) maximum level.  
d) average level.

13. a) From the following particulars find the amount of cash required for payment of wages in a factory for the month of April 2017.

	Rs.
Wages for normal hours worked	2,05,000
Wages for overtime	22,000
Leave wages	17,000
Deduction of employee's share to ESI contribution	5,000
Employees contribution to Provident fund	16,000
House rent to be recovered from 30 employees @ of Rs.100 per month	

- b) From the following data prepare a statement showing cost per man day of eight hours.
- Basic salary and dearness allowance Rs. 3,000 per month.
  - Leave salary six percent of the basic and D.A.
  - Employee's contribution of the P.F. 6% of (i) plus (ii)
  - Employers contribution to the P.F. 6% of (i) plus (ii)
  - Number of working hours in a month 200 **(each 4 marks)**

14. A manufacturing company has three production departments and two service departments. In July 2016 the departmental expenses were as follows. Prepare a statement of primary distribution and secondary distribution (under repeated distribution) method.

Rent Rs. 25,000, Electricity Rs. 4,800, Depreciation 12,000, Canteen expenses Rs. 11,200

The following further details are given:

	A	B	C	X	Y
Floor space (sq.ft.)	896	572	424	128	480
Light points	40	60	80	40	20
No. of employees	120	80	120	60	20
Cost of machines Rs.	48,000	64,000	80,000	4,000	4,000

The service department expenses are charged out on a percentage basis as follows.

	A	B	C	X	Y
Expenses of the department X	20%	25%	35%	--	20%
Expenses of the department Y	25%	25%	40%	10%	--

15. Almighty Transport Co Ltd. supplies the following details in respect of a truck of 5 ton capacity. Assuming that the truck operates for 7,500 ton kilometers in a month calculate cost of per ton kilometer.

Cost of truck	Rs. 9, 00,000
Estimated life	10 years
Diesel, oil, grease	Rs. 1500 per trip each way
Repairs and maintenance	Rs.500 per month
Driver's wage	Rs. 15000 per month
Cleaner's wage	Rs. 2500 per month
Insurance	Rs. 4,800 per year
Tax	Rs. 2,400 per year
Supervision	Rs. 4,800 per year

16. The following information is obtained from the costing records of a manufacturing concern for the month of March, 2016. Prepare a cost sheet.

	Rs.	1.3.2016	31.3.2016
Raw materials		1,00,000	1,23,500
Finished goods		71,500	42,000
Work in progress		31,000	34,500
Purchase of raw material	88,000		
Direct wages	70,000		
Indirect factory wages	2,500		
Work expenses	37,000		
Administration expenses	13,000		
Sale of scrap	2,000		
Selling and distribution expenses	15,000		
Sales	2,84,000		

17. How semi variable costs are classified into fixed and variable portions? Bring out the importance of such classification.

### SECTION – C

#### ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. On August 15, 2011 a manufacturer desired to quote for a contract for the supply of 500 wireless mouses. From the following details prepare a statement showing the price to be quoted to give the same percentage of net profit on turnover as was realized during 6 months ending on 30<sup>th</sup> June 2011.

	Rs.
Stock of material as on 1st Jan.2011	20,000
Stock of material as on 30 <sup>th</sup> June 2011	25,000
Purchase of materials during 6 months	1,50,000
Factory wages during 6 months	1,20,000
Indirect charges during 6 months	25,000
Opening stock of finished goods	---
Closing stock of finished goods	100
Sales during 6 months	3,24,000

The number of wireless mouses manufactured during these six months was 1,450 sets including those sold and those stocked at the end of the period. As from August 1, the cost of factory labour has gone up by 10%.

19. From the following transactions, prepare separately the stores ledger account, using the FIFO and LIFO methods.

1 <sup>st</sup> Jan.2015	Opening balance	100 units @ Rs.5 each
5	Received	500 units @ Rs. 6 each
20	Issued	300 units
Feb. 5	Issued	200 units
6	Received back from work order issued on Feb. 5	10 units
7	Received	600 units @ Rs.5 each
20	Issued	300 units
25	Returned to supplier purchased on Feb. 7	50 units
26	Issued	200 units
March 10	Received	500 units @ Rs. 7 each
15	Issued	300 units

Stock verification on 15h March revealed a shortage of 10 units.

20. The following are the expenses incurred in respect of two production departments X and Y and one service department Z. has rendered service to the production departments equally. Ascertain the total cost of the departments and the overhead rate per machine hour for production departments.

Power expenses	Rs. 8,000
Labour welfare expenses	Rs. 4,500
Rent	Rs. 7,200
Insurance	Rs.11,600
Depreciation - Machinery	Rs.20,000
Depreciation - Building	Rs.7,000
Lighting	Rs.2,400

Additional information:

	X	Y	Z
KWH installed	12	10	2
Light points	15	20	5
Area occupied (sq.ft.)	1,000	800	600
No. of employees	20	8	2
Machine hours worked	2,000	1,500	500

21. The product of a manufacturing concern passes through two processes A and B and then to finished stock. It is ascertained that in each process normal loss is 5% and 10% is scrap which from processes A and B realizes Rs. 80 per ton and Rs. 200 per ton respectively. Prepare process A and B accounts from the following information.

	Process A	Process B
Materials in tons	1,000	70
Cost of materials per ton Rs.	125	200
Wages Rs.	28,000	10,000
Manufacturing expenses Rs.	8,000	5,250
Output tons	830	780

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