

**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 2019**  
**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 Center.
2. What is meant by 'Material Control'?
3. Write a short note on 'Idle Time'.
4. What is meant by secondary distribution of overheads?
5. What is Process Costing?
6. Calculate the value of Raw Material Consumed from the following information:

	Rs.
Raw Materials Purchased	44,000
Opening stock of raw materials	5,000
Closing stock of raw materials	6,000

7. Find out the Maximum Stock Level from the following:  
Re-order Level = 4,000 Units  
Re-order Quantity = 2,500 Units  
Consumption = 300 to 400 units per week  
Re-order period = 6 to 8 weeks
8. From the following information, calculate the earnings of a worker under Rowan premium plan:  
Standard time = 60 Hours  
Time Taken = 40 Hours  
Hourly Rate of wages = Rs.10
9. The following information relates to a production department of a factory:  
Factory overhead Rs. 20,000  
Machine Hours worked = 2,000  
Calculate the Machine Hour Rate.
10. ABC Travels employs 5 buses which run over a route of 140 Kilometers (one way), making one round trip per day. The buses run 360 days per year and 10% of them on an average are laid out for repairs. Ascertain the total running kilometers per year.

...2

## SECTION – B

## ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. What is meant by cost accounting? Bring out the limitations of Cost Accounting.  
 12. What is meant by labour turnover? State the causes of labour turnover.  
 13. Prepare a Cost Sheet from the following information:

	Rs.		Rs.
Direct Materials	2,00,000	Rent of Factory	10,000
Direct Wages	50,000	Rent of Office	5,000
Direct Expenses	10,000	Salaries to Salesmen	2,500
Wages of Foremen	5,000	Advertising	2,500
Electric Power	1,000	Income Tax	20,000
Lighting of Factory	3,000	Sales	3,80,000
Lighting of Office	1,000		

14. (a) From the following information, Calculate Economic Order Quantity and Number of Orders to be placed in a year:

Consumption of material per annum: 10,000 Kg.

Cost of material per Kg.: Rs.2

Order placing costs per order: Rs.50

Storage costs: 8% on average inventory.

(4 Marks)

- (b) From the following information, calculate the Re-ordering Level, Minimum Stock Level, Maximum Stock level and Average Stock Level

Normal Consumption = 150 units per day

Maximum Consumption = 210 units per day

Minimum Consumption = 120 units per day

Re-order quantity = 1,800 units

Re-order period = 10 to 15 days

Normal re-order period = 12 days

(4 Marks)

15. (i) From the following particulars, calculate wages earned by workers P, Q and R under the Taylor's differential piece rate system:

Standard time allowed – 20 minutes per unit

Normal wage rate – Rs.12 per hour

The production on a day of 8 Hours:

P – 15 units; Q – 18 units; R – 24 Units & S – 30 Units

(4 Marks)

- (ii) From the following information, compute the Labour Turnover under all the Separation method and Flux method:

Number of employees at the beginning of the month – 950

Number of employees at the end of the month – 1050

Number of employees resigned during the month – 10

Number of employees discharged during the month – 30

Number of employees replaced in the vacancies in the month – 20

Number of employees appointed due to expansion programme – 120 (4 Marks)

16. Calculate Machine Hour Rate from the following:

(a) Cost of machine Rs. 19,200

(b) Estimated Scrap Value Rs. 1,200

- (c) Repair charges per month Rs. 150
- (d) Standing charges allocated to the machine per month Rs. 50
- (e) Effective working life of the machine: 10,000 Hours
- (f) Running time per month: 166 Hours
- (g) Power used by the machine: 5 units per hour @Re.0.19 per unit

17. From the following data, calculate the cost per mile of a vehicle:

	Rs.
Depreciation per annum	8,000
Garage rent per year	2,400
Insurance charges p.a.	800
Road tax p.a.	1,000
Driver's wages per month	1,200
Cost of petrol per annum	11,800
Tyre and maintenance per mile	1.60

Estimated Annual Mileage – 6,000

### SECTION – C

**ANSWER ANY TWO QUESTIONS:**

**(2 x 20 = 40)**

18. The following particulars are available from the books of Nila Company Limited:

	Rs.
Stock of Raw Materials on 1 <sup>st</sup> January 2018	6,400
Stock of Finished Goods on 1 <sup>st</sup> January 2018	14,000
Purchases during the year	1,46,000
Direct Wages	99,400
Sales	2,96,000
Stock of Raw Materials on 31 <sup>st</sup> December 2018	6,800
Stock of Finished Goods on 31 <sup>st</sup> December 2018	15,000
Works Overheads	21,868
Office Overheads	17,762

The company is about to send a tender for a Large Plant. The costing department estimates that the materials required would cost Rs. 10,000 and Wages for making the plant would cost Rs.6,000. Tender is to be made, keeping a Net profit of 20% on the selling price. State the amount of the tender, if based on the usual percentages.

19. The following details are available:

Date	Transaction
2018 Jan 1	Opening stock 1,000 units at Rs. 26 per unit
5	Purchased 500 units at Rs.24.50 per unit
7	Issued – 750 units
10	Purchased 1,500 units at Rs.24 per unit
12	Issued -1,100 units
15	Purchased 1,000 units at Rs.25 per unit
17	Issued – 500 units
18	Issued – 300 units
25	Purchased 1,500 units at Rs.26 per unit
29	Issued – 1,500 units

You are required to prepare Stores Ledger using:

- (a) FIFO method &  
(b) LIFO method

20. The following are the particulars related to a manufacturing company having three production departments A, B and C and two service departments X and Y.

Particulars	A	B	C	X	Y
Floor space (Sq. ft.)	2,000	2,500	3,000	2,000	500
Light Points	10	15	20	10	5
Direct Wages (Rs.)	3,000	2,000	3,000	1,500	500
H.P. of machines	60	30	50	10	--
Value of Machinery (Rs.)	60,000	80,000	1,00,000	5,000	5,000

Expenses and charges are as follows:

	Rs.		Rs.
Rent and Rates	5,000	General Lighting	600
Indirect Wages	1,500	Power	1,500
Depreciation on Machinery	10,000	Sundries	10,000

The expenses of the service departments are to be apportioned to the production departments on the following basis:

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

You are required to prepare:

- (1) A statement showing the primary distribution of overheads &  
(2) A statement showing secondary distribution of overheads under the repeated distribution method.

21. A product passes through two processes and then to finished stock. The normal wastage of each process is as follows:

Process A - 3% and Process B – 5%

The wastage of process A was sold @Rs.5 per unit and that of process B at Rs.10 per unit. 40,000 units were introduced into process A at the beginning of January 2018 at a cost at Rs.40 per unit.

Other expenses were as under:

	Process A Rs.	Process B Rs.
Sundry Materials	80,000	1,20,000
Wages	4,00,000	6,40,000
Manufacturing expenses	60,000	57,000

The output of Process A was 38,000 units and that of Process B 36,400 units.

Prepare Process 'A' Account and Process 'B' Account.

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