

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2015-16 and thereafter)
SUBJECT CODE:15CM/MC/CM25

B.Com. (A & F) DEGREE EXAMINATION APRIL 2019
ACCOUNTING AND FINANCE
SECOND SEMESTER

COURSE : MAJOR – CORE
PAPER : COST AND MANAGEMENT ACCOUNTING
TIME : 3 HOURS **MAX. MARKS: 100**

Section A

Answer ALL the questions. **(10 x 2 = 20)**

1. Define the term 'Costing'.
2. What is 'Bin card'?
3. Write a note on 'Idle Time'.
4. Define 'Overheads'.
5. What do you mean by Fund flow statement?
6. Compute the prime Cost:
Direct Material Used Rs. 82,000
Productive Wages Rs. 17,000
Royalty Paid Rs. 11,000
Hire Charge of Special Machines for the job Rs.13,000
7. Find Out the economic Order quantity (EOQ) from the following particulars:
Annual Usage: 6000 Units Cost of Material per unit Rs.20
Cost of placing and Receiving one order: Rs.60. Annual Carrying cost of one unit:
10% of the inventory Value.
8. Ascertain the Labour Turnover under Separation Method:
Employees on 01.01.2018: 14,000
Employees on 31.12.2018: 16,000
Employees who left during 2018: 750
9. Calculate the Gross Profit Ratio from the following figures:

	Rs.		Rs.
Sales	1, 00, 000	Purchases	60, 000
Sales Return	10, 000	Purchase returns	15, 000
Opening stock	20, 000	Closing stock	5, 000
10. From the following, find out the changes in working capital:

	Rs.
Decrease in creditors	2, 500
Increase in cash	1, 700
Decrease in debtors	500
Increase in stock	1, 600

Section B

Answer Any FIVE questions. **(5 x 8 = 40)**

11. Two Components A and B are used as follows:
Reordering Quantity: A 1200 Units B 100 Units
Reordering Period A 2 to 4 Weeks B 3 to 6 Weeks
Normal Usage _ 300 Units per week each
Minimum Usage _ 150 Units per week each
Maximum Usage _450Units per week each
You are required to calculate the following for each of the components.
a) Reordering Level b) Maximum Level c) Minimum Level d) Average Stock Level

12. From the following particulars, Calculate earnings of a worker under :

- i) Time Rate System
 - ii) Piece Wage Rate
 - iii) Halsey Plan and
 - iv) Rowan Plan
- Wage rate – Rs.2 per hour
 Production per hour – 4 units
 Dearness allowance – Re.1 per hour
 Standard time fixed – 80 hours
 Actual time taken – 50 hours
 Production -250 units

13. Work out the machine hour rate for the following machine whose scrap value is 'nil'

- a) Cost of machine Rs.3,60,000
- b) Freight and installation Rs.40,000
- c) Working life : 20 Year
- d) Working hours : 8,000 per year
- e) Repair charges : 50% of depreciation
- f) Power : 10 units per hour @ 10 paise per unit
- g) Lubricating oil @ Rs.2 per day of 8 hours
- h) Consumable stores @ Rs.10 per day of 8 hours
- i) Wages of operator @ Rs.4 per day

14. You are given the following information:

	Rs.
Cash	18,000
Debtors	1,42,000
Closing Stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding Expenses	15,000
Tax Payable	75,000

Calculate a) Current ratio b) Liquidity ratio C) Absolute Liquidity ratio

15. From the following balance sheet extracts, compute a trend percentages and comment on the liquidity position of X ltd. You may take 2000 as base year.

Particulars	2000 Rs.	2001 Rs.	2002 Rs.	2003 Rs.	2004 Rs.	2005 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

16. From the following Balance sheets, prepare a statement showing flow of funds.

Balance sheets

Liabilities	31-12-2015 Rs.	31-12-2016 Rs.	Assets	31-12-2015 Rs.	31-12-2016 Rs.
Share capital	2,00,000	2,50,000	Land	50,000	66,000
Retained Earnings	10,000	23,000	Stock	80,000	90,000
Creditors	70,000	45,000	Debtors	1,20,000	1,15,000
			Cash	30,000	47,000
	2,80,000	3,18,000		2,80,000	3,18,000

17. During the year 2017, A Ltd, Produced 50,000 units of a product. The following were the expenses:

Particulars	Rs.
Stock of raw material on 01.01.2017	10,000
Stock of raw material on 31.12.2017	20,000
Purchases	1,60,000
Direct Wages	75,000
Direct Expenses	25,000
Factory Expenses	37,500
Office Expenses	62,500
Selling Expenses	25,000

You are required to prepare a cost sheet showing cost per unit and total cost at each stage.

Section C

Answer Any TWO questions.

(2 x 20 = 40)

18. The accounts of a machine manufacturing company disclose the following information for six months ending 31st December 1978.

	Rs.
Materials used	1, 50,000
Direct wages	1, 20,000
Factory overheads	30,000
Administrative expenses	15,000

Prepare the cost sheet of the machine and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs. 1,250 and expenditure in productive wages Rs. 750, so that the price might yield a profit of 20% on the selling price.

19. From the following Particulars given below write up the stores ledger card 2018

January 1 Opening Stock	1000 units at Rs.26 each
5 Purchased	500 units at Rs.24.50 each
7 Issued	750 Units
10 Purchased	1500 units at Rs.24 each
12 Issued	1100 Units
15 Purchased	1000 units at Rs.25 each
17 Issued	500 Units
18 Issued	300 Units
25 Purchased	1500 Units at Rs.26 each
29 Issued	1500 Units

Adopt the FIFO Method & LIFO Method of issue and ascertain the value of the Closing Stock.

20. Mahesh Ltd. Furnish you the following Balance sheets for the years ending 31st December 2015-2016. You are required to prepare a cash flow statement for the year ending 31-12-2016.

Balance Sheets

Liabilities	2015 Rs.	2016 Rs.	Assets	2015 Rs.	2016 Rs.
Equity Share capital	20,000	20,000	Goodwill	2,400	2,400
General Reserve	2,800	3,600	Land	8,000	7,200
Profit and loss A/c	3,200	2,600	Building	7,400	7,200
Sundry Creditors	1,600	1,080	Investments	2,000	2,200
Outstanding Expenses	240	160	Inventories	6,000	4,680
Provision for tax	3,200	3,600	Accounts Receivable	4,000	4,440
Provision for bad debts	80	120	Bank Balance	1,320	3,040
	31,120	31,160		31,120	31,160

Following Additional information has been supplied

- i) A piece of land has also been sold Rs.800.
- ii) Depreciation amounting to Rs. 1,400 has been charged on building
- iii) Provision for taxation has been made for Rs.3,800 during the year.

21. Kumar Ltd has three production department 'A', 'B', 'C' and two service departments 'D' and 'E'. The following figures are extracted from the records of the company.

Particulars	Rs.	Particulars	Rs.
Rent & Rates	5,000	General lighting	600
Indirect wages	1,500	Power	1,500
Depreciation of machinery	10,000	Sundries	10,000

Following further details are available:

	Total	A	B	C	D	E
Floor Space in square feet	10,000	2,000	2,500	3,000	2,000	500
Light Points	60	10	15	20	10	5
Direct Wages (Rs).	10,000	3,000	2,000	3,000	1,500	500
H.P of machines	150	60	30	50	10	_____
Value of Machinery (Rs).	2,50,000	60,000	80,000	1,00,000	5,000	5,000

Apportion the cost to various departments on the most equitable basis by preparing a primary departmental distribution summary.
