

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai - 600 044.

B.Com.CA - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - V

**21UCCCT5011 - Elements of Cost Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Distinguish between cost accounting and Management accounting.
2. Draw a statement of cost from the following particulars:

Particulars	Rs.
<b>Opening Stock:</b>	
Materials	2,00,000
Work-in-progress	60,000
Finished goods	5,000
<b>Closing Stock:</b>	
Materials	1,80,000
Work-in-progress	50,000
Finished goods	15,000
Material Purchased	5,00,000
Direct Wages	1,50,000
Manufacturing Expenses	1,00,000
Sales	8,00,000
Selling and distribution expenses	20,000

3. Compute the various stock levels from the following data:  
Maximum consumption in a month - 300 units.  
Minimum usage in a month – 200 units.  
Average usage in a month – 225 units.  
Time-lag for procurement of materials:  
Maximum 6 months  
Minimum 2 months  
Reorder quantity 750 units.
4. From the following information calculate the labour turnover rate:  
Number of workers at the beginning of the period: 3,800  
Number of workers at the end of the period: 4,200  
During the year, 40 workers left while 160 workers are discharged. 600 workers are recruited during the year; of these 150 workers are recruited to fill up vacancies and the rest are engaged on account of an expansion scheme.

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5. Work out the machine hour rate for the following machine whose scrap value is nil.
- Cost of machine Rs.3,60,000
  - Freight and installation Rs.40,000
  - Working life: 20 years
  - Working hours: 8,000 per year
  - Repair charges: 50% of depreciation
  - Power: 10 units per hour @ 10 paise per unit
  - Lubricating oil @ Rs.2 per day of 8 hours
  - Consumable stores @ Rs.10 per day of 8 hours
  - Wages of operator @ Rs.4 per day.
6. Prepare a statement of reconciliation from the following :

Particulars	Rs.
Net loss as per cost accounting	34,500
Net loss as per financial accounting	40,950
Work overhead under recovered in costing	6,240
Administrative overhead recovered in excess	3,400
Depreciation recovered in costing	11,200
Depreciation charged in financial accounting	12,500
Interest on investments not included in costing	6,000
Goodwill written off	5,000
Provision for doubtful debts in financial accounting	1,260
Stores adjustment credit in financial accounting	950
Loss of stock charged in financial accounting	3,000

7. The following transactions took place in respect of a material item.

Date	Receipt Qty.	Rare	Issue Qty.
2-3-2002	200	Rs.2	-
10-3-2002	300	Rs.2.40	-
15-3-2002	-	-	250
18-3-2002	250	Rs.2.60	-
20-3-2002	-	-	200

Prepare a store ledger sheet, pricing the issues at weighted average rate.

8. What are the essentials of a good costing system?

### Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Describe the classification of cost.

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10. M/s Indu industries Ltd., are the manufactures of moonlight Torches. The following data relate to manufacturing of torches during the month of March 2009.

Raw material consumed	Rs.40,000
Direct Wages	Rs.24,000
Machine hours worked	9,500 hours
Machine hour rate	Rs. 4
Office overhead	20% of work cost
Selling overhead	Rs.1 per unit
Units produced	20,000 units
Units sold	18,000 @ Rs.10 per unit

Prepare Cost sheet showing at the cost and the profit per unit and the total profit earned.

11. From the particulars given below write up the stores ledger card:  
1988

January 1	Opening stock	1,000 units at Rs.26 each.
5	Purchased	500 units at Rs.24.50 each.
7	Issued	750 units.
10	Purchased	1,500 units at Rs.24 each.
12	Issued	1,100 units.
15	Purchased	1,000 units at Rs.25 each.
17	Issued	500 units.
18	Issued	300 units.
25	Purchased	1,500 units at Rs.26 each.
29	Issued	1,500 units.

Adopt the FIFO method of issue and ascertain the value of the closing stock.

12. From the following particulars work out the earnings for the week of a worker under.
- Straight piece rate
  - Differential piece rate
  - Halsey premium system
  - Rowan system

Number of working hours per week 48, Wages per hour – Rs.3.75, Normal time per piece – 20 minutes, Rate per piece – Rs.1.50, Normal time per piece – 20 minutes and Rate per piece – Rs.1.50.

Differential piece rate 80% of piece rate when output is below standard and 120% when above standard.

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13. A company has three production department and two service department and for a period the departmental distribution summary has the following totals.

Production Departments	Rs.
A	8,000
B	7,000
C	5,000
Service Departments	
X	2,340
Y	3,000

The service department expenses are charged out on a percentage basis, viz.,

	A	B	C	X	Y
Expenses of department X	30%	40%	20%	-	10%
Expenses of department Y	30%	25%	25%	20%	-

Prepare a statement showing the apportionment of the two service department expenses to the production departments by simultaneous equation method.

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