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III Semester B.Com. (Hon.) Degree Examination, April - 2022

COMMERCE

Costing - 1

Paper: 3.3

(CBCS Scheme Freshers)

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer should be written completely in English only.

SECTION - A

Answer any five sub questions of the following. Each question carries two marks.

(5×2=10)

1. a) What is cost control?
- b) Define EOQ?
- c) What do you mean by VED Analysis?
- d) How do you calculate bonus under Rowan Premium plan?
- e) Define overhead?
- f) What is cost allocation?
- g) What is memorandum reconciliation account?

SECTION - B

Answer any three questions of the following. Each question carries five marks. (3×5=15)

2. Describe the methods and techniques of cost accounting?
3. The following transaction took place in respect of material item 'S'

Date

Particulars

2020

1 March

Opening stock 1000 unit at Rs. 20 each

[P.T.O.]



3 March	Purchased 800 units at Rs. 21 each
9 March	Issued 1200 units
12 March	Purchased 1600 units at Rs. 24 each
15 March	Issued 1000 units
20 March	Issued 600 units
25 March	Purchased 1000 units at Rs. 25 each
30 March	Issued 800 units.

Prepare a stores Ledger Account by simple average method.

- A worker finished the job in 30 hours for standard time of 40 hours and hourly rate of wage is 60 paise. How much bonus worker will get under Rowan plan.
- From the following particulars, Calculate Machine hour rate.

Particulars	Amount
Cost of the Machine	Rs. 15000
Scrap value	Rs. 3000
Repairs for the effective work life	Rs. 2000
Standing charges for 6 weekly period	Rs. 2400
Power used 3 units per hour at 80 paisa per unit	
Effective working life 12000 hours	
Hours worked in 4 weekly period 200 hours.	

SECTION - C

Answer any Three questions of the following. Each question carries 15 marks. (3×15=45)

- The following details are available from a company books for one year. The company manufactures plants:

Particulars	Amount
Stock of Raw material (opening)	25600
Stock of finished goods (opening)	56000
Purchases during the year	5,84,000
Productive wages	3,97,600
Sale of finished goods	11,84,000
Stock of finished goods (closing)	60,000
Stock of raw material (closing)	27,200
Works overhead	87,472
Office and General Expenses.	71,048



The company is about to send a tender of a large plant. The estimated cost of material required would cost Rs. 40,000 and wages Rs. 24000. Tender is to be made by keeping a net profit of 20% on the selling price. Prepare the cost sheet and state what would be the amount of the tender, if works overhead is recovered as a percentage of wages and office and general expenses as a percentage of works cost.

7. From the following transaction prepare store Ledger account using LIFO method and FIFO method and weighted average method.

Date	Particulars
Jan 1	Opening stock 1600 units at Rs. 24.50 each
Jan 12	Purchases 400 units at Rs. 27.00 each
Jan 21	Purchases 600 units at Rs. 28.00 each
Jan 29	Purchases 200 units at Rs. 30.00 each
Jan 16	Issues 800 units at?
Jan 27	Issues 400 units at?

8. Calculate the machine hour rate from the following data:

- Cost of machine Rs. 12,000
- Life of machine 10,000 hours
- Estimated scrap value Rs. 2000
- Rent of factory (50% place is occupied by this machine) Rs. 800 per month.
- Salary of foreman Rs. 10,000 per month
- salary of helper Rs. 500 per month.
- Lighting expenses (total points are 20 by 5 points are occupied by this machine Rs. 800 per month)
- Power expenses Rs. 200 per month
- Indirect labour Rs. 300 per month.
- Repairs and maintenance Rs. 400 per month
- Total working hours for one month 120 hours.



9. The net profit of he Bharat engineering co. appeared as Rs. 1,36,500 as per financial records for the year ended 31st December 2020, The cost books, however, showed a net profit of Rs. 1,80,000 for the same period. A Security of the figures from both the sets of accounts revealed the following facts;

Particulars	Amount
Works overhead under recovering in cost	3500
Administrative overheads recovered in excess	1800
Depreciation recovered in cost	13000
Depreciation charged in financial accounts	11500
Interest on investments not included in cost	9000
Loss due to obsolescence in financial accounts	5800
Income tax provided in financial accounts	41000
Bank interest and transfer fees	
(in financial books)	1000
Stores adjustments (credit in financial books)	500
Los due to depreciation in stock values(charged in financial accounts)	7000

Your are required to prepare a Reconciliation statement to reconcile both the figures of net profits. Also show the memorandum Reconciliation account.