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FIFTH SEMESTER B.COM. (NEP) DEGREE
EXAMINATION, JANUARY/FEBRUARY 2025
COMMERCE

DSC – I : Cost Accounting – Principles and Practice – I

Time : 2 Hours]

[Max. Marks : 60

- Instructions :** 1) Answer *all* the Sections according to **Internal Choice**.
2) **Use of simple calculator is allowed.**
3) **Question No. 11 is compulsory.**

SECTION – A

1. Answer **any five** of the following :

(5×2=10)

- What is cost accounting ?
- What is cost sheet ?
- What is stores ledger ?
- What is material requisition ?
- What is economic ordering quantity ?
- What do you mean by labour cost ?
- How do you allocate the following expenses in primary distribution ?
 - Rent and rates
 - Depreciation

SECTION – B

Answer **any four** of the following :

(4×5=20)

- Name any five general principles of cost accounting.
- A small scale industry produced 2000 units and sold in the month of January – 2024, following are the cost details :
Materials consumed ₹ 80,000.
Productive wages ₹ 70,000.
Direct expenses ₹ 10,000.
Works on cost charged @ 50% of Direct wages, Administrative expenses are 10% of works cost. Selling price per unit ₹ 300/-.
Prepare cost sheet and find out total profit.

[P.T.O.]



4. Calculate from the following information,

- a) Minimum stock level b) Maximum stock level.

Re-order period 4 to 6 days

Minimum usage 100 kgs per day

Maximum usage 200 kgs per day

ROQ = 1500 kgs.

5. Calculate the earnings of Ramu and Shamu under Taylor's differential piece rate system.

Normal rate per hour Rs. 120

Standard time per unit 2 minutes

Differential to be applied

80% piece rate below standard

120% of piece rate at or above standard

In a day of 8 hours if Ramu produced 200 units and Shamu produced 300 units.

6. From the following information provided by ABC Co. Ltd. for the year ending 31-3-2024.

	₹
Factory overheads	3,20,000/-
Direct labour cost	4,00,000/-
Direct labour hours	1,20,000 hours
Machine hours	40,000 hours

From the above figures ascertain overhead absorption rate using

- a) Direct labour hours
b) Machine hours
c) Direct labour cost.



SECTION – C

Question No. 11 is **compulsory**. Answer **any two** of the remaining. **Each** question carries **10** marks. **(3×10=30)**

- 7. What is cost accounting ? Explain the limitations of financial accounting.
- 8. Calculate the earnings of workers form the following under :
 - a) Straight piece rate system.
 - b) Halsey plan.
 - c) Rowan plan.

Working hours in a week – 48 hours

Normal wages per hour ₹ 60.

Actual output for the week – 156 units

Standard time per unit 20 min. per unit

- 9. Prepare stores ledger account on the basis of LIFO method for the following transaction for the month of March 2024.

- 1-3-2024 Opening stock 200 units @ ₹ 2 per unit
- 7-3-2024 Purchased 100 units at ₹ 3 per unit
- 15-3-2024 Purchased 150 units @ ₹ 4 per unit
- 30-3-2024 Purchased 180 units @ ₹ 5 per unit
- 2-3-2024 Issued 150 units
- 9-3-2024 Issued 100 units
- 20-3-2024 Issued 80 units
- 25-3-2024 Issued 10 units
- 31-3-2024 Stores audit shows excess 20 units.



10. X, Y and Z are the Production Department and A and B are two Service Department. The following figures are taken from these books.

	₹
Rent and rates	20,000
Indirect labour	6,000
Lighting and heating	12,000
Depreciation on machinery	40,000
Sundry expenses	40,000

Following is the further information :

Particulars	Production Dept.			Service Dept.	
	X	Y	Z	A	B
Floor area (Sq.ft.)	4	5	6	4	1
Light points	2	3	4	2	1
Direct wages (in lakhs)	6	4	6	3	1
Machinery (in lakhs)	3	4	5	1	1

The expenses of Service Department A and B are distributed as follows :

	X	Y	Z
Dept. 'A'	30%	30%	40%
Dept. 'B'	40%	25%	35%

You are required to prepare primary and secondary distribution summary from the above information.

11. Case study (**Compulsory** question) :

Haveri Manufacturing Co. Ltd. gives you the following cost information :

Direct materials	2,00,000
Direct wages	1,20,000
Works on cost	24,000
Administration overhead	16,000

Prepare a cost sheet and also a quotation for a machine which requires Direct materials of Rs. 3,000 and Direct wages of ₹ 1000. Factory overheads 20% of Direct wages and Administrative overheads 5% works cost. The company wants to earn a profits of 25% on cost price.