

F 2304

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Reg. No.....

Name.....

**FIVE YEAR B.Com., LL.B. (HONOURS)/FIVE YEAR INTEGRATED DOUBLE
DEGREE B.Com., LL.B. (HONOURS) DEGREE EXAMINATION
OCTOBER 2022**

Fourth Semester

FC 9/FC 14—COST ACCOUNTING

(2019 Admissions—Regular/2018, 2013, 2014 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five questions.

Each question carries 3 marks.

1. What do you mean by Opportunity Cost ?
2. Distinguish between Cost Centre and Profit centre.
3. Describe the concept of EOQ.
4. Mention the importance of Material Control.
5. How Time Keeping differ from Book Keeping ?
6. Define apportionment.

(5 × 3 = 15 marks)

Part B

Answer any three questions.

Each question carries 10 marks.

7. On 31st Dec 2020, Cost accounts of a manufacturing concern show a profit of Rs. 1, 40,000 for the year 2020. However the financial Accounts reveals a net profit of Rs. 1, 35,000 for the year.

On verifying both cost records and financial books, the following were revealed.

Interest on Investment credited in the financial books	...	12,000
Loss on sale of investment debited in financial books	...	6, 000
Loss due to obsolescence charged to financial accounts	...	4,000
Depreciation charged more in financial accounts	...	3,200

Turn over

Closing stock valued more in cost accounts	...	8,000
Opening stock valued more in cost accounts	...	2,000
Factory overheads under absorbed in costing	...	3,000
Office overhead over absorbed in costing	...	2,800
Rent charged only in cost books	...	3,000

Prepare a Profit Reconciliation Statement.

8. What is the methodology for Cost Control ? How it differ from Cost Reduction ?
9. What are the merits and demerits of Time Rate and Piece Rate systems of wage payment ? State the situations in which each system is effective and useful.
10. What do you mean by Pricing of Material Issues ? Give a brief explanation of LIFO and FIFO methods.

(3 × 10 = 30 marks)

Part C

Answer any two Questions.

Each question carries 15 marks.

11. Define Cost Accounting. Discuss the advantages and dis advantages of Cost Accounting.
12. There are three departments X, Y, and S in Ideal Industries Ltd X and Y are production departments and S is a service department. The following are the items of overhead for the month of January 2020.

Particulars		Rupees
Indirect Material Dept X	...	10,000
Indirect Labour Dept Y	...	20,000
Indirect Expenses Dept S	...	3000
Rent	...	18,000
Depreciation of Plant	...	10,000
Supervision	...	16,000
Insurance to plant	...	1,000
Repairs to Plant	...	25,000

The following details are available in respect of the three departments :

Particulars	X Department	Y Department	S Department
Floor Area, Sq.feet	3,000	2,000	1,000
Number of Workers	12	6	6
Cost of Plant	25,000	15,000	10,000

Prepare a statement showing the allocation and apportionment of Overheads.

13. The following information has been obtained from Ram Associates Ltd. For the period from 1st April 2020 to 31st March 2021.

(a) Cost of raw materials in stock on 1st April 2020	...	30,000
(b) Materials purchased during the year	...	2,90,000
(c) Direct Labour paid	...	40,000
(d) Factory Overheads	...	24,000
(e) Direct Expenses	...	6,000
(f) Office overheads	...	12,000
(g) Stock of finished goods on 1st April 2020	...	60,000
(h) Stock of finished goods on 31st March 2021	...	80,000
(i) Stock of raw materials on 31st March 2021	...	45,000
(j) Selling and distribution overheads	...	20,000
(k) Sales	...	4,00,000

You are required to prepare a statement showing:

- (1) Cost of Goods consumed.
- (2) Prime cost.
- (3) Work cost.
- (4) Cost of production.
- (5) Cost of goods sold.
- (6) Cost of Sales.
- (7) Profit/Loss.