

F 4423

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Reg. No.....

Name.....

**FIVE YEAR B.Com., LL.B. (HONOURS)/FIVE YEAR INTEGRATED DOUBLE
DEGREE B.Com., LL.B. (HONOURS) EXAMINATION, OCTOBER 2023**

Fourth Semester

FC 9/FC 14—COST ACCOUNTING

(2020 Admissions—Regular/2019, 2018, 2013, 2014 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

*Answer any five questions.
Each question carries 3 marks.*

1. What is Overhead Absorption ?
2. Illustrate the terms Direct Labour and Indirect Labour.
3. Mention the concept of Perpetual Inventory System.
4. Describe the methodology of A B C Analysis.
5. Distinguish between Cost Control and Cost Reduction.
6. Narrate the meaning of Sunk Cost.

(5 × 3 = 15 marks)

Part B

*Answer any three questions.
Each question carries 10 marks.*

7. Distinguish between time wage system and piece wage system.
8. What are the important methods of pricing material issues ?
9. Define Cost Accounting. How does cost accounting differ from financial accounting ?
10. The following information relates to Toy Gun manufacturing company for the 3 months ending 31st March, 2020.

	Rs.
Direct materials consumed	18,000
Direct labour paid	12,000
Direct expenses	4,000
Factory overheads	6,000
Administrative overheads	4,500
Selling and distribution overhead	2,500

Turn over

1,000 units of tiny toy are purchased during the period and all the units produced are sold at Rs. 55 per unit.

Prepare a cost sheet showing : (a) Prime cost ; (b) Factory cost ; (c) Cost of production ; (d) Cost of sales ; (e) Profit or Loss.

(3 × 10 = 30 marks)

Part C

Answer any two questions.

Each question carries 15 marks.

11. Discuss the objectives of cost accounting and give a brief on different types of cost.
12. Cost books of Nataraja Ltd, show a profit of Rs.3, 20,000 on 31st march 2020, which does not agree with its financial profit. The following are the items of disagreement.

<i>Particulars</i>	<i>Rupees</i>
Income tax charged to financial books	76,000
Bad debts written off only in financial books	7,000
Depreciation as per cost books	39,000
Depreciation as per financial books	46,000
Bank interest credited in financial books	3,200
Factory overhead as per cost books	72,000
Factory overhead as per financial book	82,000
Administrative overhead absorbed	60,000
Administrative overhead charged in financial books	52,000
Bad debts recovered	4,000
Transfer fees received	1,200
Share transfer expenses	2,600
Stock adjustment (credit in financial book)	600
Loss by theft charged in financial books only	3,500
Interest on owned capital in cost books	32,000

Income tax charged in financial books.

Prepare reconciliation Statement.

13. S. will Ltd. has two production departments A, B and one service department S. The actual costs for a period are as follows :

		Rs.			Rs.
Power	...	1,750	Sundries	...	1,600
Lighting	...	1,600	Depreciation	...	6,000
Rent and Rates	...	6,000	on Machinery		
Indirect wages	...	4,000			

The other particulars are :

		<i>Production</i>	<i>Departments</i>	<i>Service Department</i>
		A	B	S
Working Hours	...	4,000	3,000	2,000
Direct wages (Rs.)	...	3,000	2,000	3,000
Cost of Machinery	...	75,000	50,000	25,000
H. P. of Machinery	...	60	30	10
Light points	...	18	12	10
Floor Area (sq. ft.)	...	1,000	1,200	800

Apportions the costs of the various departments on most equitable basis.

(2 × 15 = 30 marks)