



**III Year B.Com. Examination, June 2008**  
**(1997-98 Scheme)**  
**COMMERCE**  
**Cost Accounting**

Time : 3 Hours

Max. Marks: 100

**Instructions:** 1) Answer should be written completely either in **Kannada** or in **English**.

2) Provide working notes **wherever** necessary.

**SECTION – A**

Answer **any 8** sub-questions. Each sub-question carries **2** marks. **(8×2=16)**

1. a) Define Cost Accounting.
- b) What do you mean by cost unit ?
- c) State any four items which are not included in cost accounts.
- d) What is ABC analysis of materials ?
- e) What is Bill of materials ?
- f) What is idle capacity ?
- g) Define overhead.
- h) What is a cost plus contract ?
- i) Mention any two features of process costing.
- j) Give the meaning of cost apportionment.
- k) What do you mean by Joint products ?
- l) What is Retention money ?

**SECTION – B**

Answer **any three** questions, each question carries **8** marks. **(3×8=24)**

2. Briefly explain the reasons which result in the difference of profits as shown between cost and financial books.
3. What are the essentials of a good wage plan ?
4. How the stores ledger differ from Bin card ?

P.T.O.



5. From the following information calculate :

- 1) Maximum level
- 2) Re-order level
- 3) Minimum level
- 4) Average stock level.

Normal consumption 800 units per week

Minimum consumption 400 units per week

Maximum consumption 1,200 units per week

Re-order quantity 4800 units.

Time required for delivery : Minimum 4 weeks and maximum 6 weeks.

6. In an undertaking wages are paid under individual incentive schemes. A standard time of 10 hours is allowed to complete a job and the rate is Rs. 8 per hour two workers A and B complete the job in 5 and 7 hours respectively. Compute their earnings under Halsey and Rowan premium systems. They also get cost of living bonus at Rs. 2 per hour.

### SECTION - C

Answer **any 4** questions. **Each** question carries **15** marks.

7. The following were the Receipts and issues of materials 'A' during January 2008.

|           |  |
|-----------|--|
| January 1 | Opening balance 1,100 units is at Rs. 60 per unit                    |
| " 3       | Issued 140 units   |
| " 4       | Issued 250 units   |
| " 8       | Issued 210 units   |
| " 13      | Received from vendor 400 units at Rs. 59 per unit                    |
| " 14      | Refund of surplus from a work order 30 units at Rs. 58 per unit      |
| " 16      | Issued 350 units   |
| " 20      | Received from vendor 480 units at Rs. 62 per unit                    |
| " 24      | Issued 608 units   |
| " 25      | Received from vendor 640 units at Rs. 60 per unit                    |
| " 26      | Issued 524 units   |
| " 28      | Refund of a surplus from work order 24 units (Issued on 3rd January) |
| " 30      | Received from vendor 150 units at Rs. 64 per unit.                   |

From the above, write the stores ledger account in simple average basis.



10. Karnataka Co. Ltd. manufactured and sold 2,000 Refrigerators for the year ending 31-12-2007, the summarised trading and profit and loss account is given below.

**Trading and Profit and Loss Account for the year ending 31-12-2007**

|                       | Rs.             |                 | Rs.             |
|-----------------------|-----------------|-----------------|-----------------|
| To Cost of materials  | 1,60,000        | By Sales        | 8,00,000        |
| To Direct wages       | 2,40,000        |                 |                 |
| To Manufacturing cost | 1,00,000        |                 |                 |
| To Gross profit       | 3,00,000        |                 |                 |
|                       | <b>8,00,000</b> |                 | <b>8,00,000</b> |
| To Salaries           | 1,20,000        | By Gross profit | 3,00,000        |
| To Rent, rates etc.   | 20,000          |                 |                 |
| To Selling expenses   | 60,000          |                 |                 |
| To General expenses   | 40,000          |                 |                 |
| To Net profit         | 60,000          |                 |                 |
|                       | <b>3,00,000</b> |                 | <b>3,00,000</b> |

For the year 2008 the company wants to produce 3,000 Refrigerators from the following particulars, prepare a statement showing the price at which Refrigerators would be marketed so as to show a profit at 10% on selling price.

- 1) Price of materials will rise by 20% on the previous years level
- 2) Wages will rise by 5%
- 3) Manufacturing cost will rise in proportion to the combined cost of materials and wages.
- 4) Selling expenses per unit will remain the same
- 5) Other expenses will remain unaffected by the rise in output.



|                         |                 |                           |                 |
|-------------------------|-----------------|---------------------------|-----------------|
| To Goodwill written off | 2,200           | By miscellaneous receipts | 1,000           |
| To Dividend             | 3,000           |                           |                 |
| To Income tax           | 4,100           |                           |                 |
| To Net profit           | 1,89,995        |                           |                 |
|                         | <b>5,41,995</b> |                           | <b>5,41,995</b> |

The company manufactures a standard unit scrutinizing of cost records for the same period show that

- 1) Factory overheads have been allocated to the production at 20% of prime cost.
- 2) Administration overhead have been charged at Rs. 3 per unit on units produced.
- 3) Selling overheads have been charged at Rs. 4 per unit on units sold.

You are required to prepare a statement of cost to work out profit as per cost accounts and to reconcile the same with that shown in financial accounts.

ಕನ್ನಡ ಆವೃತ್ತಿ  
ವಿಭಾಗ - ಎ

ಯಾವುದಾದರೂ ಎಂಟು ಉಪಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉಪಪ್ರಶ್ನೆಗೆ 2 ಅಂಕಗಳು.

(8×2=16)

1. a) ವೆಚ್ಚನಿರ್ಣಯ ಶಾಸ್ತ್ರದ ವ್ಯಾಖ್ಯೆ ಕೊಡಿ.
- b) ವೆಚ್ಚಘಟಕ ಎಂದರೇನು ?
- c) ವೆಚ್ಚನಿರ್ಣಯದಲ್ಲಿ ಸೇರಿಸಲಾಗದ ಯಾವುದಾದರೂ ನಾಲ್ಕು ಅಂಶಗಳನ್ನು ತಿಳಿಸಿ.
- d) ಸಾಮಗ್ರಿಗಳ ಎ.ಬಿ.ಸಿ. ವಿಶ್ಲೇಷಣೆ ಎಂದರೇನು ?
- e) ಸಾಮಗ್ರಿಗಳ ಚೀಟಿ ಎಂದರೇನು ?
- f) ನಿಷ್ಪಲ ಸಾಮರ್ಥ್ಯ ಎಂದರೇನು ?
- g) 'ಮೇಲು ವೆಚ್ಚದ' ವ್ಯಾಖ್ಯೆ ನೀಡಿ.
- h) ವೆಚ್ಚ ಸೇರಿ ಗುತ್ತಿಗೆ ಎಂದರೇನು ?
- i) ಪ್ರಕ್ರಿಯೆ ವೆಚ್ಚದ ಎರಡು ಗುಣಲಕ್ಷಣಗಳನ್ನು ತಿಳಿಸಿ.
- j) ವೆಚ್ಚಹಂಚುವಿಕೆಯ ಅರ್ಥನೀಡಿ.
- k) ಜಂಟಿ ವಸ್ತುಗಳು ಎಂದರೇನು ?
- l) ಹಿಡಿದಿಟ್ಟ ಹಣ ಎಂದರೇನು ?