

ANNAI VIOLET ARTS AND SCIENCE COLLEGE

DEPARTMENT OF COMMERCE

CONTINUOUS INTERNAL ASSESSMENT – I (ODD SEM.)

SUBJECT : ELEMENTS OF COST ACCOUNTING

Class : III B.Com., (G)

Date : 30.08.2022-AN

Max.Marks : 50

Sub. Code: CZ25A

PART A (5 x 2 = 10 MARKS)

Answer any FIVE questions

1. What is cost Accounting?
2. Define cost.
3. Mention any two difference between Financial accounting and Cost Accounting.
4. What is Costing?
5. Explain functional classification of overhead.
6. What do you mean by Direct labour?
7. Write a short note on EOQ.

PART B – (2 x 5 = 10 MARKS)

Answer any TWO questions

8. From the following information prepare cost and financial profits reconciliation statement:

Profit as per costing books 45,030

Income tax provided and financial books Rs 4000

Bank interest credit in financial books Rs.150

Depreciation recovered in cost books Rs 3000

Depreciation charged in financial books rupees 2800

Works overheads over recovered Rs.550

Administrative overheads under recovered Rs. 450

Interest on investments not included in cost accounts Rs.1200

Store adjustments credit in financial books Rs. 120

9. Prepare a cost sheet from the following details:
Raw materials consumed Rs.80,000
Wages Rs.20,000
Work expenses are charged at 100% on wages, Office overhead is charged at 25% on works cost and selling overhead at 10% on works cost.
10. Find out the economic order quantity (EOQ) from the following particulars:
Annual usage :6000 units
Cost of material per unit: Rs. 20
Cost of placing and receiving one order Rs.60
Annual carrying cost of one unit is 10% of the inventory value.

PART C – (3 x 10 = 30 marks)

Answer ALL questions

11. Differentiate between cost accounting and management accounting?

12. M/S Indu Industries Ltd., are the manufacturers of moonlight Torches. The following data relate to manufacture of torches during the month of march 2009.

| | |
|------------------------|------------------------|
| Raw materials consumed | Rs. 20,000 |
| Direct wages | Rs.12,000 |
| Machine hours worked | Rs.9500 hours |
| Machine hour rate | Rs.2 |
| Office overheads | 20% of works cost |
| Selling overheads | 50 paise per unit |
| Units produced | 20,000 units |
| Units sold | 18,000@ Rs 5 per unit. |

Prepare cost sheet showing the cost and the profit per unit and the total profit earned.

| | |
|-----------------------|----------|
| Consumable stores | 2,500 |
| Manager's Salary | 5,000 |
| Directors' fees | 1,250 |
| Office Stationery | 500 |
| Telephone Charges | 125 |
| Postage and Telegrams | 250 |
| Salesmen's salary | 1,250 |
| Travelling expenses | 500 |
| Advertising | 1,250 |
| Warehouse charges | 500 |
| Sales | 1,89,500 |
| Carriage outward | 375 |
| Dividend | 2,000 |

13. The following details have been obtained from the cost records XYZ Ltd. Prepare a cost sheet.

| PARTICULARS | Rs. |
|------------------------------|----------|
| Direct Materials | 1,00,000 |
| Direct Wages | 30,000 |
| Wages of Foreman | 2,500 |
| Electric power | 500 |
| Lighting: | — |
| Factory | 1,500 |
| Office | 500 |
| Storekeeper's wages | 1,000 |
| Oil and water | 500 |
| Rent: | — |
| Factory | 5,000 |
| Office | 2,500 |
| Repairs and Renewals: | — |
| Office premises | 500 |
| Factory plant | 3,500 |
| Transfer to Reserves | 1,000 |
| Depreciation: | — |
| Factory Plant | 500 |
| Office Premises | 1,250 |

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