



# THE AMERICAN COLLEGE, MADURAI

(An Autonomous Institution Affiliated to Madurai Kamaraj University)

Re-accredited (2<sup>nd</sup> Cycle) by NAAC with Grade "A", CGPA – 3.46 on a 4-point scale

## Backlog Arrear Examination, March 2021

COM/CME 3636

Cost Accounting II

Mark: 75

Time: 3 Hrs

Answer Any five of the following:

( 5 X 15 = 75 )

1. Discuss Zero based budgeting.
2. Mr. Ram Kumar produces the product 'Tom' which goes through three distinct processes. The following information is available from his accounts:

Items	Process I (Rs)	Process II (Rs)	Process III (Rs)
Direct Materials	10,000	6,000	4,000
Direct Wages	4,000	2,000	2,000
Direct Expenses	8,000	4,000	2,000

Indirect expenses incurred are Rs. 8,000 which are recovered on the basis of 100% of direct wages. you are required to prepare process Account.

3. From the following information, prepare a cost sheet for the month of January.

	Rs		Rs
Stock of Raw materials on 1st Jan	25,000	Direct wages	17,200
Stock of Raw materials on 31st Jan	26,200	Non productive wages	800
Purchase of raw materials	21,900	Direct expenses	1,200
Carriage on purchase	1,100	Factory overheads	8,300
Sales	72,300	Office overheads	3,200
Selling overheads	4,200		

4. From the following figures, prepare a reconciliation statement.

	Cost Book	Financial Book
Profit	50,000	?
Marketing Overhead	8,000	8,000
Provision for bad debts	-	5,000
Factory Overheads	8,500	7,000
Directors fees	-	2,000
Income tax paid	-	15,000
Rent of own premises	6,000	-
Depreciation	11,250	12,000
Share transfer fees(cr)	-	1,000
Administrative overhead	5,000	8,000

5. From the following particulars, prepare a Production Budget of a company for the year ended June 30, 2012.

	Sales(units) as per sales budget	Estimated Stock (units)	
		1 July 2011	30 June 2012
A	1,50,000	14,000	15,000

B	1,00,000	5,000	14,500
C	70,000	8,000	8,000

6. Calculate the different stock levels from the following.

Minimum usage	75 units	Maximum usage	225 units
Normal usage	150 units	Re-order Period	12 to 18 weeks
Re-order quantity	900 Units		

7. Standard time allowed for a job is 20 hours and the rate per hour is Rs. 2 plus a dearness allowance @ 50 paise per hour worked. The actual time taken by a worker is 15 hours. Calculate the earnings under (a) Time system (b) Piece wage system (c) Halsay Plan (d) Halsay Weir Scheme (e) Rowan Scheme.