P.R.GOVT. COLLEGE (AUTONOMOUS) KAKINADA

B.COM – II YEAR – (CECS)

SYLLABUS : III SEMESTER EXAMINATIONS

COURSE 33 : COSTING

W.e.f. 2018 -19 ACADEMIC YEAR

Hours: 5 Hrs. (3 Lectures + 2 Tutorials)   Max. Marks: 100 (60+40)

CREDITS: Theory 3

OBJECTIVES:

- To impart the Concepts of Costing and Techniques of Costing
- To know the control of Inventory Cost and Labour Cost
- To explain Overheads and their classification
- To make the student to prepare the Cost Sheet.

LEARNING OUTCOME:

- By the end of this course students can have the better understanding of costing and management accounting.
- By the end of this course students can apply different methods of costing.
- By the end of this course students can have the skill of preparation of cost sheet.

MODULE I :   FUNDAMENTALS ⁄ 5 PPTS

a. Financial Accounting and its limitations – Cost Accounting – Cost Accounting and Financial Accounting – Cost Accounting and Management Accounting – Objectives of Cost Accounting

b. Installation of costing System – Methods and Techniques of costing – Cost concepts – Elements of Cost Classification of cost.

Self Study: Installation of costing System

Advantages and Limitations of Cost Accounting

Assignment: Methods and Techniques of Costing

Classification of Cost

MODULE II :   MATERIALS - 5 PPTS

a. Material Control – Purchase Department – Purchase Routine stores routine – (Problems to be discussed on calculation of Minimum Level, Maximum Level, Re – Ordering level and Economic Order Quantity)

b. Issue of Materials and procedure of Issuing – Pricing of Issues - Problems to discussed on First in First Out , Last in First Out , Simple Average, Weighted Average and Base stock Methods) – Inventory Control.

MODULE III: LABOUR COST   5 PPTS

Control Over Lab our costs – Lab our Turnover – Time and Motion Study – Time Keeping and Time Booking – Idle Time Over Time – Systems of Wage Payments – Time Wage System – Price Rate System – Incentive Wage Plans (Problems to be discussed on Time Wage and Price Rate System – Halsey Plan Rowan Plan, Taylor's and Merrik's deferential Piece Rate Systems)

Assignment : Calculation of wages under various plans , Labour Turnover

MODULE IV: OVERHEAD COSTS   5 PPTS

Classification – Allocation and apportionment of Overhead – Absorption of Overhead (Problems to discussed on Apportionment of Overhead, Re - Apportionment of Service Department Costs and methods of Absorption of Factory Overhead.

Assignment: Allocation and Apportionment of Overheads

MODULE V :   METHODS OF COSTING   5 PPTS

Unit or Output Costing - Preparing Statement of Cost and Profit .

Self Study: Costing Procedure

Assignment: Preparation of Cost Sheet and Tender Cost Sheets

Suggested Readings:

1.Cost and Management Accounting	Jain and Narang	Kalyani Publishers
2.Cost and Management Accounting	M.N Arora	Himalaya Publishing
3.Cost accounting	Dutt	Pearson Education
7.Cost Accounting	Jawaharlal	Tata Mcgraw Hill
8.Cost Accounting Theory and Practice	Banerjee	PHI

P.R.GOVT.COLLEGE (A), KAKINADA
DEPARTMENT OF COMMERCE
II B.COM (C.S) QUESTION BANK
SUBJECT: COSTING
III RD SEMESTER

UNIT 1:

2. What is meant by costing? Explain its nature and scope.

2. Define costing? Explain the classification of costing?

3. Discuss the various methods of cost classification

4. Explain the nature scope and objectives of management accounting?

5. Define cost accounting .bring out clearly the advantages and limitations of cost accountancy

6. Difference between cost accounting, management accounting and financial accounting.

7. Problem on cost sheet

UNIT-2

5. What is meant by material control .Explain its advantages?

2 Discuss the Difference methods of material issues.

3. Economic order quantity

4. ABC analysis

5. Problem on material issue LIFO, FIFO, SIMPLE, WEIGHTED.

UNIT – 3

1. Discuss about various wages incentive plans.

2. Discuss various incentive plans..

3. Describe the causes for labour turn over

4. Problem on Labour

Unit-4

1. Explain the classification of overheads with examples.

2. Explain the basis allocation of apportionment of overheads

3. Problem on over heads

Unit-5

1. Elements of costing.

2. Tenders and Quotations.

SHORT QUESTIONS

UNIT-1

1. State the objectives of costing
2. Cost centre
3. Prepare form of cost sheet
4. Cost unit

UNIT-2

1. Danger level
2. Re-ordering level
3. Bin –card
4. Double bin

UNIT-3

1. Halsey plan
2. Rowan plan
3. Taylors differential piece rate
4. Merrick efficiency rate

UNIT-4

4. Allocation overheads
5. Machine hour rate
6. Service departments

P.R.GOVT.COLLEGE (A), KAKINADA
DEPARTMENT OF COMMERCE
III MID SEMESTER EXAMINATION
II B.COM (CECS)
MODEL PAPER (w.e.f 2018-19)
SUBJECT: COSTING

Time:21/2 Hours

Max.Marks.60

Section-I

5x2 =10 Marks

Answer the following questions.

1) What is meant by costing?

2) Cost center?

3) Objectives of Cost Accounting?

4) Prime cost?

5) Indirect Raw materials?

Section-II 5x10 =50 Marks

Answer the questions.

6. **Different between cost accounting and financial accounting**

7. Prepare a cost sheet from the following data to find out profits.
   Raw materials consumed - 1,60,000

   Direct wages - 80,000

   Factory over heads - 16,000

   Office over heads - 10% of factory cost

   Selling price - Rs- 100 per unit

   Selling over heads - Rs. 12,000

   Units produced - 4000

   Units sold – 3600

8. **Explain different methods of material issues**

9. The following transactions took place in respect of material items.

Particulars	Receipt quantitis	Rate	Issue Quantitis
March, 2	200 units	2.00	-----
" 10	300 units	2.40	------
" 15	-----	---	250 units
" 18	250 units	2.60	------
" 20	----	----	200 units

Prepare a stores ledger a/c price the issues at.
(a) Simple average rate (b) Weighted average rate

10. Explain the features of process costing and compare job costing with process costing?

11. Calculate the overheads applicable to production department A and B. There are also two service departments X and Z. X renders service worth Rs. 12000 to Y and balance to A and B as 3:2. Y renders services to A and B as 9:1.

Particulars	A	B	X	Y
Floor space(sq. et)	5000	4000	1000	2000
Assets (Rs.in lac)	10	5	3	1
H.P of Machines	1000	500	400	100
Number of workers	100	50	50	25
Light points	50	30	20	20

Expenses are:

Depreciation --- 1,90,000   Rent, rates, etc --- 36,000

Insurance --- 15,200   Power --- 20,000

Canteen exps --- 10,800   Electricity --- 4,800

12. Explain the various types of labour incentives.

13. Problem on labour incentive