



43

CB – 396

IV Semester B.B.A. Examination, August/September 2023  
(CBCS) (2021 – 22 Onwards) (Repeaters)  
**BUSINESS ADMINISTRATION**  
**Paper – 4.2 : Cost Accounting**

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answer should be written in **English** only.

SECTION – A

Answer **any 5** questions. **Each** question carries **two** marks.

(5×2=10)

1. a) What is meant by cost accounting ?
- b) Give the difference of Bin card and Stores ledger.
- c) What is an idle time ?
- d) Give the meaning of memorandum reconciliation statement.
- e) Mention the basis of apportionment for the following :
  - i) Rent
  - ii) Depreciation
- f) What is overheads ? Give two examples.
- g) What is time rate system ?



SECTION – B

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

(3×5=15)

2. Explain the different methods of classification of overheads.
3. Calculate the re-order level, maximum stock level and minimum stock level.  
Re-order quantity – 1500 units  
Re-order period – 4 to 6 weeks  
Maximum consumption – 400 units per week  
Minimum consumption – 200 units per week

P.T.O.



4. From the following data, prepare a cost sheet of Thanu Ltd.
- Opening stock of raw materials Rs. 30,000
  - Purchase of raw materials Rs. 1,50,000
  - Closing stock of raw materials Rs. 15,000
  - Direct wages Rs. 75,000
  - Machine hours worked 15,000
  - Machine hour rate 1.25
  - Office overhead 25% of works cost
  - Selling overhead Rs. 2 per unit
  - Rate of profit 20% on cost
  - Units produced and sold 5000 units.
5. A worker takes 54 hours to complete a job on daily wages and 36 hours on a scheme of payment by rewards. His day rate is Rs. 75 per hour. Calculate his earnings using (a) Halsey plan (b) Rowan plan.
6. Calculate the EOQ for the product X. The following details are furnished :
- Annual usage 1,80,000 units
  - Buying cost per order Rs. 20
  - Cost of carrying inventory 20% on cost
  - Cost per unit Rs. 100

## SECTION – C

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

**(3×12=36)**

7. The following expenses were incurred for a job during the year ending 31<sup>st</sup> March 2015.

Direct material	Rs. 60,000
Direct wages	Rs. 80,000
Direct expenses	Rs. 20,000
Factory overhead	Rs. 40,000
Administration O/H	Rs. 60,000
Selling and distribution O/H	Rs. 40,000
Selling price of the above job	Rs. 3,60,000



You are required to prepare a statement of cost and profit from the job and an estimated price of a job which is to be executed in the year 2016. Materials, wages and chargeable expenses will be required of Rs. 15,000, Rs. 21,000 and Rs. 6,000 respectively for the job.

The various overheads to be recovered on the following basis while calculating price :

- a) Factory overheads as a percentage of direct wages.
- b) Administrative and selling overheads as a percentage of works cost.
- c) Selling price of the estimate is to be calculated by applying rate of profit on cost of sales of 2015.

8. The following transactions took place in respect of material 'X' during March 2015.

- 1-3-15 Opening stock of materials 500 units @ Rs. 1.50 p/v
- 2-3-15 Purchases 2000 units @ Rs. 2.00 p/v
- 4-3-15 Purchases 3000 units @ Rs. 2.50 p/v
- 6-3-15 Issues 2500 units
- 8-3-15 Purchases 2500 units @ Rs. 2.70 p/v
- 10-3-15 Issues 2000 units

You are required to prepare a stores ledger account using simple average and weighted average method of pricing material issues.

9. A department has 3 machines. From the following data, compute machine hour rates of these machines showing clearly the basis of apportionment.

- Lighting Rs. 10,000
- Insurance of building Rs. 21,000
- Power consumption Rs. 2,20,000
- Rent Rs. 60,000
- Insurance of machines Rs. 36,900
- Indirect labour Rs. 46,000
- General expenses Rs. 1,84,800
- Supervision expenses Rs. 60,000
- Wages of operators Rs. 30,000 (to be apportioned equally)
- Depreciation Rs. 72,000

The following additional information is available in respect of the above 3 machines :

Particulars	M1	M2	M3
HP of machines	25,000	20,000	10,000
Area occupied (sq. ft.)	80	120	40
Value of machines (Rs. in lakhs)	24	32	16
No. of light points	8	24	48
No. of machine hours (in hrs)	24,000	12,000	24,000
Direct labour (in Rs.)	1,200	2,400	2,400
No. of employees (in Nos)	8	24	48



10. From the following figures, prepare a reconciliation statement and ascertain the profit as per Financial Accounts.

Profit as per cost accounts	Rs. 1,88,460
Income tax provided in financial books	Rs. 10,000
Bank interest credited in financial books	Rs. 250
Works O/H under recovered in cost accounts	Rs. 1,550
Depreciation charged in financial accounts	Rs. 5,600
Depreciation recovered in cost accounts	Rs. 6,000
Administration O/H over recovered in cost A/cs	Rs. 850
Loss due to obsolescences charged in F A/cs	Rs. 2,800
Interest on investment not included in cost A/cs	Rs. 4,000
Stores adjustment (Cr. in F A/cs)	Rs. 240
Loss due to depreciation in stock values charged in Financial A/cs	Rs. 3,350
Transfer fee (Cr. in Financial books)	Rs. 5,500
Provision for doubtful debts provided in F A/cs	Rs. 1,250
Preliminary expenses written off in F A/cs	Rs. 800

11. From the following data, prepare a comparative statement under each of the following case, showing the bonus, total earnings and rate per hour under Halsey and Rowan systems. Also draw a conclusion about the bonus earned as per both the systems.

Standard time allowed – 12 hours

Rate per hour – Rs. 3

Time taken : 10 hours, 9 hours, 8 hours, 7 hours and 6 hours.

#### SECTION – D

Answer the following question (**any one**). This question carries **9** marks. **(1×9=9)**

12. a) Write the format of cost sheet with imaginary figures.

OR

- b) Briefly explain the reasons for labour turnover in organisation.

---