



51

CB – 406

IV Semester B.B.A. Examination, August / September 2023
(CBCS) (2015-16 and Onwards) (Repeaters)
BUSINESS ADMINISTRATION
Paper – 4.7 : Cost Accounting

Time : 3 Hours

Max. Marks : 70

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

SECTION – A

1. Answer **any five** questions. **Each** question carries **two** marks : **(5×2=10)**
- State different levels of stock.
 - Write any four examples of administrative overhead.
 - What is idle time ?
 - Write any two advantages of time rate system.
 - What is perpetual inventory system ?
 - What is piece rate system ?
 - State two differences between fixed and variable costs.



SECTION – B

Answer **any three** of the following questions. **Each** question carries **6** marks :

(3×6=18)

2. What do you mean by labour turnover ? Mention the methods of calculating labour turnover.
3. Calculate direct labour hour rate from the following :
- | | |
|-----------------------------|------------|
| Total number of workers | 100 |
| Working days in a year | 300 |
| No. of hours per day worked | 8 |
| Idle time | 5% |
| Factory overheads | Rs. 22,800 |
| Gift to workers | Rs. 2,000 |

P.T.O.



4. Calculate (a) Re-order level, (b) Re-order quantity, (c) Maximum stock level from the following information.

Minimum stock level : 2550 units

Average stock level : 4550 units

Consumption :

Minimum 800 units per month

Maximum 1500 units per month

Delivery period :

Minimum 2 months.

Maximum 4 months.

5. From the following particulars prepare Store Ledger A/c under weighted average method.

Jan. 1st Stock on hand 100 units Rs. 4

Feb. 10th Issues 300 units

Jan. 5th Purchases 200 units @ Rs. 6

Jan. 10th Issues 120 units

Jan. 20th Purchases 250 units @ Rs. 6.40

6. In a factory, the expenses are as follows :

Material Rs. 4,00,000

Labour Rs. 3,00,000

Factory expenses Rs. 1,96,000

Office expenses Rs. 1,70,000

Sales total Rs. 10,20,000

Prepare cost sheet.

SECTION – C

Answer **any three** of the following. Each question carries **14** marks : (3×14=42)

7. The following transactions occurred in purchase and issue of material in an organisation during the year 2021.

Receipts	Quantity	Rate
4-10-2021	200 units	Rs. 48 per unit
10-10-2021	150 units	Rs. 46 per unit
18-10-2021	100 units	Rs. 48 per unit
22-10-2021	100 units	Rs. 47 per unit



Issues :

5-10-2021	250 units
12-10-2021	200 units
25-10-2021	250 units

The stock on 1-10-2021 was 200 units at Rs. 50 per unit.
Prepare Stores Ledger Accounts and LIFO method.

8. Calculate the earnings of workers A and B on

- 1) Straight piece basis.
- 2) Taylor's differential piece rate system.

Standard production – 8 units per hour.

Normal time rate – Rs. 8 per hour.

Differentials to be applied :

- a) 80% of piece rate below standard.
- b) 120% of piece rate at above standard.

In a 9 hours day A produced 54 units and B produced 75 units.

9. How would you apportion the following expenses between department A and B ?

Rent and rates	Rs. 720
Insurance	Rs. 260
Store expenses	Rs. 1,484
Fire insurance	Rs. 520
General factory labour	Rs. 2,568
Depreciation	Rs. 1,812
Holiday pay	Rs. 1,040
Plant repairs	Rs. 900

	A	B
Floor space (sq. feet)	60 × 115	45 × 100
No. of employees	18	42
Annual direct wages	Rs. 10,000	Rs. 12,000
Annual direct labour hours	36000	92500
Plant value	Rs. 20,000	Rs. 5,000



10. From the following information, prepare a cost sheet and calculate cost and profit per unit of production :

Weight of finished goods	2432 kg
Wages	Rs. 10,240
Units produced	2480
Factory overhead	60% of wages
Office overhead	25% of factory cost
Cost of raw material	Rs. 6 per kg.

Wastage of raw material during processing 5% sales Rs. 59,520.

There is no opening and closing of stock of either raw material or work in progress.

11. From the information prepare a reconciliation statement and find out profit as per financial accounts.

	Rs.
a) Net profit as per cost accounts	6,89,600
b) Works overheads under recovered in cost books	12,480
c) Administration overhead recovered in excess	6,800
d) Depreciation charged in financial accounts	44,800
e) Depreciation recovered in cost books	50,000
f) Interest included in financial books only	32,000
g) Obsolescence loss charged in financial accounts	22,800
h) Income tax provided in financial accounts only	1,61,200
i) Bank interest and transfer fees credited in financial books	3,000
j) Depreciation of stock charged in financial books	27,000
k) Stores adjustments credited in financial accounts	1,900
