



NP – 300

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III Semester B.B.A. Examination, March/April 2023
(NEP) (2022-23 and Onwards) (Freshers)
BUSINESS ADMINISTRATION
Paper – 3.1 : Elements of Cost Accounting

Time : 2½ Hours

Max. Marks : 60

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



SECTION – A

1. Answer **any 6** of the following sub-questions. **Each** sub-question carries 2 marks. (6×2=12)
- What do you mean by a cost centre ?
 - Write any two objectives of cost accounting.
 - What is purchase requisition ? To whom it is submitted ?
 - What is time keeping ?
 - What is ABC analysis ?
 - State any four examples of administration overheads.
 - What is predetermined cost ?
 - What is machine hour rate ?

SECTION – B

Answer **any three** of the following questions. **Each** question carries 4 marks. (3×4=12)

- What are the essentials of a good wage payment system ?
- Prepare a cost sheet from the following information :

	₹
Direct materials	1,00,000
Production wages	60,000
Factory expenses	40,000
Sale of scrap	2,000
Office overheads	32,000
Selling expenses	13,000
Sales	2,72,000

P.T.O.



4. Calculate the EOQ from the following :
- Annual usage 600 units
 Ordering cost ₹ 12 per order
 Carrying cost 20%
 Price per unit ₹ 20.
5. Calculate total earnings of worker under Halsey and Rowan Plan
 Standard time 10 hours
 Hourly rate ₹ 2
 Time taken 6 hours.
6. From the following particulars calculate the machine hour rate.
- | | |
|------------------------------------|-------------------------------------|
| Cost of machine | ₹ 11,000 |
| Scrap value | ₹ 680 |
| Repairs for effective working life | ₹ 1,500 |
| Standing charges for 4 weeks | ₹ 1,600 |
| Effective working life | 10,000 hours |
| Power used | 6 units per hour @ 5 paise per unit |
| Hours worked in 4 weeks | 120 hours |

SECTION – C

Answer **any three** of the following questions. **Each** question carries **12** marks. **(3×12=36)**

7. The following particulars are obtained from Tom and Jerry Co. Ltd. as on 31st December 2021.

	₹
Raw materials used	8,64,000
Direct wages	7,20,000
Factory overheads	4,32,000
Administrative overhead	4,09,600
Selling overhead	5,04,000
Profit	5,85,920



- a) Prepare cost sheet for 2021.
- b) In 2022 the company received an order.

It is estimated that direct materials would cost ₹ 8,32,000 and labour ₹ 7,20,000.

What should be the price to be quoted to earn the same rate of profit on sales as in 2021 ?

Assume that factory overhead is recovered as a percentage of direct wages, administrative and selling overhead as a percentage on works cost, based on cost prevailing in the previous year.

8. From the following information prepare Stores Ledger Account under LIFO method.

1 st Jan.	Opening stock	200 pieces @ ₹ 2 each
5 th Jan.	Purchases	100 pieces @ ₹ 2.20 each
10 th Jan.	Purchases	150 pieces @ ₹ 2.40 each
20 th Jan.	Purchases	180 pieces @ ₹ 2.50 each
2 nd Jan.	Issues	150 pieces
7 th Jan.	Issues	100 pieces
12 th Jan.	Issues	100 pieces
28 th Jan.	Issues	200 pieces

9. From the following particulars prepare labor cost sheet per man-day of 8 hours.

- a) Basic salary ₹ 2 per day
- b) Dearness allowance 25 paise for every point over 100 cost of living index.
Current cost of living index 700 points
- c) Leave salary 10% of (a) and (b)
- d) Employer's contribution to PF 8% of a + b + c
- e) Employer's contribution to state insurance 2.5% of a + b + c
- f) Expenditure on amenities ₹ 20 per head per month
- g) Number of working days in a month 25 days of 8 hours each



10. Dora and Co. has three production departments A, B and C and two service departments D and E. The following figures are extracted from the records of the company.

	₹		₹
Rent and rates	5,000	General lighting	600
Indirect wages	1,500	Power	1,500
Depreciation of machinery	10,000	Sundries	10,000

The following further details are available :

	Total	A	B	C	D	E
Floor space(Sq.ft.)	10,000	2,000	2,500	3,000	2,000	500
Light points	60	10	15	20	10	5
Direct wages (₹)	10,000	3,000	2,000	3,000	1,500	500
HP of machines	150	60	30	50	10	—
Value of machinery (₹)	2,50,000	60,000	80,000	1,00,000	5,000	5,000

Apportion the costs to various departments on the most equitable basis.

- a) What is labour turnover ? Discuss the steps to be taken for minimising labour turnover (any 6).

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- b) The component 4 is used as follows :

Normal usage 50 units per week each

Minimum usage 25 units per week each

Maximum usage 75 units per week each

Re-order quantity 300 units

Re-order period 4-6 weeks

Calculate :

- a) Re-order level
 b) Minimum level
 c) Maximum level

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