



SG – 505

19

IV Semester B.B.A. Examination, September/October 2021
(CBCS) (F + R) (2015 – 16 and Onwards)
BUSINESS ADMINISTRATION
Paper – 4.6 : Cost Accounting

Time : 3 Hours

Max. Marks : 70

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

SECTION – A

Answer **any five** sub-questions of the following. **Each** sub-question carries **two** marks. (5×2=10)

1. a) What is Cost Centre ?
- b) What is Cost Accounting ?
- c) Give the meaning of Indirect material.
- d) State any two causes of idle time.
- e) What is Time-keeping ?
- f) Define Overhead.
- g) What is Reconciliation Statement ?



SECTION – B

Answer **any three** questions of the following. **Each** question carries **six** marks. (3×6=18)

2. Define Cost Accounting. Explain the objectives of Cost Accounting.
3. Raw Materials Consumed ₹ 2,91,000
Direct wages ₹ 1,29,000
Other direct expenses ₹ 81,000
Factory Overhead 80% of direct wages
Office Overhead 10% of works cost
Selling and Distribution expenses ₹ 20 per unit sold
Units produced and sold during the month 10,000 units.
Prepare a Cost Sheet and find the selling price per unit when the profit earned is at 20% on selling price.

P.T.O.



4. From the following data calculate :

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

Re-order quantity 3600 units

Maximum consumption 900 units per week

Minimum consumption 300 units per week

Normal consumption 600 units per week

Re-order period 3 to 5 weeks.

5. Calculate the earnings of a worker under

- a) Halsey Premium Plan (40% to workers)
- b) Rowan Premium Plan.

Hourly Rate of wages (Guaranteed) ₹ 0.75.

Standard time for producing 1 dozen article is 3 hours.

Actual time taken by the worker to produce 20 dozen articles in 48 hours.

6. Calculate Machine Hour Rate from the following details.

- a) Cost of machine ₹ 28,90,000
- b) Installation charges ₹ 1,10,000
- c) Life of machine 10 years
- d) Working hour per year 2000
- e) Repair charges 50% of depreciation
- f) Power 40 units per hour @ ₹ 4 per unit
- g) Lubricating oil ₹ 160 per day of 8 hours
- h) Consumable stores ₹ 100 per day of 8 hours.



SECTION – C

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

(3×14=42)

7. The following details are available from a company's books :

Raw Materials	₹ 3,50,000
Wages	₹ 2,70,000
Factory Overheads	₹ 81,000
Administration Overheads	₹ 56,080

How should this company quote for the price of one refrigerator ? To manufacture one refrigerator it is estimated that materials required ₹ 1,000 and wages ₹ 700. Absorb factory overheads on the basis of wages and administrative overheads on the basis of works cost. A profit of 12.5% on selling price is required.

8. From the following data prepare Stores Ledger Account under FIFO method. Stock on 1st March 2020, 15,000 Units at ₹ 20/Unit.

Purchases

Date	Units	Rate per unit (₹)
March 2	16000	19
4	13000	21
8	20000	22.50
24	40000	24
25	30000	25

Issues

Date	Units
March 5	13600
7	7000
15	17200
18	4900
22	15100
28	45000

On 31-3-2020 Stock checking revealed a shortage of 600 Units.



9. Calculate the earnings under Taylor’s differential Piece Rate System from the given information.

Rate per hour ₹ 6

Standard time per unit = 30 minutes

Differential piece rate to be applied

75% of piece rate below standard

125% of piece rate at or above standard

In 8 hours of a day the actual output of the workers are :

A = 15 Units B = 25 Units C = 16 Units.

10. A factory has three production and two service departments. The overhead costs before distribution of service department costs are as follows :

	Production Department			Service Dept.	
	A	B	C	X	Y
Overhead	3000	2000	1000	234	300
Service Dept.					
X	20%	40%	30%	—	10%
Y	40%	20%	20%	20%	—

Compute the total overheads of production overhead by Simultaneous equation and Repeated Distribution Method.

11. From the following details, prepare a Reconciliation Statement and determine financial profit :

	₹
Net Profit as per costing books	66,760
Factory overhead under-recovered in costing	5,700
Administration overhead recovered in excess	4,250
Depreciation charged in financial books	3,660
Depreciation recovered in costing	3,950
Interest received but not included in costing	450
Income tax provided in financial books	600
Bank interest credited in financial books	230
Stores adjustment (credited in financial books)	420
Depreciation of stock charged in financial accounts	860
Dividends appropriated in financial accounts	1,200
Loss due to theft provided only in financial books	260