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III SEMESTER BBA EXAMINATION – MARCH / APRIL - 2022

SCHEME: SEMESTER – CBCS

075

BBA

COST ACCOUNTING

Time: 03 Hours

Max Marks: 80

PART - A

I Answer any Two questions. 15 marks each:

2x15=30

- 1) Define Cost accounting. State the difference between Cost Accounting and Financial Accounting.
- 2) Prepare a cost sheet from the following data:

	₹
Materials	1,10,000
Materials used in primary packing	20,000
Materials used in selling the product	3,000
Materials used in the factory	1,500
Productive wages	30,000
Factory supervision expenses	4,000
Materials used for office	2,500
Chargeable expenses	10,000
Indirect expenses-factory	2,000
Administration expenses	3,000
Depreciation on factory building	3,500
Depreciation on office building	1,500
Freight on materials purchased	5,000
Depreciation on delivery van	1,000
Salary paid to the driver of delivery van	3,600
Advertisement	2,000
Bad debt	1,500

Assume that all products manufactured during the year have been sold to earn a profit of 20% on selling price.

- 3) The product of a Company passes through 3 distinct processes. The following information is obtained from the accounts for the month ending January 31, 2021.

Particulars	Process A	Process B	Process C
	₹	₹	₹
Direct Materials	7,800	5,940	8,886
Direct Wages	6,000	9,000	12,000
Production overheads	6,000	9,000	12,000

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3,000 units @ 3 each were introduced to process I. There was no stock of materials or work in progress. The output of each process passes directly to the next process and finally to finished stock a/c.

The following additional data is obtained.

Process	Output	Percentage	Value of scrap per unit (Rs.)
I	2,850	5%	2
II	2,520	10%	4
III	2,250	15%	5

Prepare Process cost account, normal cost account and abnormal gain or loss account.

- 4) Modern construction limited has taken two contracts on 1st October 2020. The position of contracts as on 30th September 2021 was as follows:

Particulars	Contract - I (₹)	Contract - II (₹)
Contract Price	27,00,000	60,00,000
Materials	5,80,000	10,80,000
Wages paid	11,24,000	16,50,000
Other expenses	28,000	60,000
Plant @ site (cost)	1,60,000	3,00,000
Unused materials @ site	40,000	60,000
Wages payable (out standing)	36,000	54,000
Other expenses due (outstanding)	4,000	9,000
Work certified	16,00,000	30,00,000
Cash received	12,00,000	22,50,000
Work completed but not Yet certified	80,000	90,000

The plant at site is to be depreciated at 10%. Prepare the contract account in respect of each contract showing the notional profit and also the profit transferred to Profit and Loss Account.

PART - B

II Answer any Three questions. 10 marks each:

3x10=30

- 5) Explain the Methods of wage payment along with merits and demerits.
- 6) Explain the functions and limitations of cost accounting.
- 7) The following transactions took place in respect of material X during the month of January 2021.

Jan - 1	Opening stock 50 tons at ₹ 1,000 per ton.
Jan - 2	Issued 30 tons
Jan - 6	Received 60 tons at ₹ 1,100 per ton.
Jan - 9	Issued 25 tons (stock verification reveals loss of one ton)

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Jan - 10	Received back from orders 10 tons (previously issued at 990 per ton)
Jan - 11	Issued 40 tons
Jan - 22	Received 22 tons at ₹ 1,200 per ton.
Jan - 31	Issued 33 tons.

You are required to write up the stores ledger account under FIFO method.

8) Calculate the earnings of a worker from the following information:

- Time Rate Method
- Piece Rate Method
- Halsey Plan
- Rowan Plan

Standard Time - 30 hrs

Time Taken - 20 hrs

Hourly rate of wages is ₹ 1 per hour plus a dearness allowance @ 50 paise per hour worked.

9. Q Ltd. is a Manufacturing Company having three production departments 'A', 'B' and 'C' and two service departments 'X' and 'Y'. The following is the budget for December 2021.

Particulars	Total (₹)	A (₹)	B (₹)	C (₹)	X (₹)	Y (₹)
Direct material	-	1,00,000	2,00,000	4,00,000	2,00,000	1,00,000
Direct Wages	-	5,00,000	2,00,000	8,00,000	1,00,000	2,00,000
Factory rent	4,00,000	-	-	-	-	-
Power	2,50,000	-	-	-	-	-
Depreciation	1,00,000	-	-	-	-	-
Other overheads	9,00,000	-	-	-	-	-

Additional information

Area (Sq. ft)	500	250	500	250	500
Capital value of Assets (in lakhs)	20	40	20	10	10
Machine hours	1,000	2,000	4,000	1,000	1,000
Horse power of Machines	50	40	20	15	25

A technical assessment of the apportionment of expenses of service departments is as under

Particulars	A	B	C	X	Y
Service Dept. X (%)	45	15	30	-	10
Service Dept. Y (%)	60	35	-	5	-

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Prepare a statement showing distribution of overheads to various departments and also show re distribution of service departments expenses to production departments.

PART - C

III Answer any Four questions. 5 marks each:

4x5=20

10. Write a note on Bin Card and Stores ledger.

11. Write a note on methods of costing.

12. From the following calculate

i) Total kilometers and

ii) Total passenger kilometers.

No. of buses 4

Days operated in a month 30

Trips made by each bus 2

Distance of route 100 km (one side)

Capacity of each bus 40 passengers

Average passengers travelling-75% of the passengers.

13. From the following information find out the machine hour rate for machine No. 80

Cost of Machine ₹ 11,000

Scrap value ₹ 680

Repairs for working life ₹ 1,500

Standing expenses for 4 week period ₹ 1,600

Effective working life 10,000 hours

Power 6 units per hour @ 5 paise per unit operating hours during 4 week period 120 hours.

There are 40 machines in number in the workshop, each bearing equal overhead charges.

14. Calculate ordering level, minimum level and maximum level from the following data:

Re-order quantity 1500 units

Re-order period 4 to 6 weeks

Maximum consumption 400 units per week

Average consumption 300 units per week

Minimum consumption 250 units per week

15. Write a note on service costing.

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