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BBABMCN 301

**III Semester B.B.A. Degree Examination, February/March 2023
(NEP-2020) (2022 – 2023 Batch Onwards) (DSCC)
COST ACCOUNTING**

Time : 2 Hours

Max. Marks : 60

Instruction : Provide working notes *wherever* necessary.

SECTION – A

(2 Marks each)

Answer **any five** of the following questions.

(5×2=10)

1. Name the Elements of cost.
2. What is a Bin card ?
3. What do you mean by ABC analysis ?
4. Give the meaning of Secondary distribution of overhead.
5. What do you mean by Over time ?
6. Cost of placing an order is Rs. 60. Annual carrying cost per unit Rs. 2. Annual usage 6,000 units. Find the Economic Ordering Quantity.
7. If Sales are Rs. 2,00,000, Profit is 20% of sales, calculate the cost.

SECTION – B

(5 Marks each)

Answer **any four** of the following questions.

(4×5=20)

8. From the following details prepare an estimated cost sheet.

Cost of material Rs. 1,00,000

Direct wages Rs. 80,000

Factory overhead is charged at 75% of wages

Administration overhead is charged at 50% of works cost.

Profit is 10% of sales.



9. From the following information, calculate the earnings of Rama and Shama under Taylor's differential piece rate system.

The working hours in a week consisted of 48 hours.

Standard output : 4 units per hour

Time rate : Rs. 32 per hour

Actual output : Rama – 175 units, Shama – 200 units

10. Cost book of a company showed a net profit of Rs. 86,460. A scrutiny of the figures revealed the following facts.

- a) Income tax paid Rs. 20,000
- b) Bank interest (cr.) Rs. 250
- c) Works overhead under absorbed Rs. 1,550
- d) Administration overhead over absorbed Rs. 850
- e) Loss charged only in financial book Rs. 2,800
- f) Interest on investment Rs. 4,000

Calculate profit as per financial account.

11. From the following details calculate :

- i) Re-order stock level
- ii) Maximum stock level
- iii) Minimum stock level
- iv) Average stock level.

Time required for delivery 2 to 4 months

Maximum consumption 9,000 units per month

Minimum consumption 3,000 units per month

Re-order quantity 25,000 units

12. A firm has three production departments P, Q and R and two service departments M and N. From the following details prepare Primary distribution summary.

Depreciation on machinery	Rs. 5,000	Lighting	Rs. 1,200
Rent	Rs. 2,000	Building Repair	Rs. 1,000
Power	Rs. 1,500		



Other details :

	Production Departments			Service Departments	
	P	Q	R	M	N
Value of machinery (Rs.)	12,000	16,000	20,000	1,000	1,000
Floor space (sq. Ft.)	400	500	600	400	100
HP of machines	75	30	25	10	10
Light points	20	30	40	20	10

13. What are the causes for Labour turnover ?

14. List the duties of a store keeper.

SECTION – C

(10 Marks each)

Answer any three of the following questions.

(3×10=30)

15. Following particulars are obtained from the financial records of M P Exports Ltd. for the year ended 31st March 2022.

Purchase of raw material	₹
Productive wages	8,50,000
Chargeable expenses	6,50,000
Motive power	50,000
Works stationery	40,000
Unproductive wage	15,000
Office expenses	60,000
Telephone charges	96,000
Showroom rent	4,000
Commission on sales	18,000
Carriage outward	13,500
Stock : on 1 st April 2021 :	19,600
Materials	
W-I-P	1,10,000
Finished goods	1,50,000
Stock : on 31 st March 2022 :	5,40,000
Materials	
W-I-P	30,000
Finished goods	1,10,000
	2,00,000

Sales Rs. 30,00,000. From the details given, prepare a statement of cost, showing various elements of costs.



16. From the following information write up stores ledger card in the prescribed form using First In First Out (FIFO) method.

2022 August, 1	Opening balance 200 units at Rs. 1.10 per unit
3	Received 100 units at Rs. 1.20 per unit
4	Issued 150 units
8	Returned to stores 20 units issued on 4 th August
12	Received 300 units at Rs. 1.40 per unit
21	Issued 100 units
23	Returned to vendor 30 units received on 12 th August
28	Received 200 units at Re. 1 per unit
30	Freight paid on purchase made on 28 th August Rs. 70
31	Excess of 5 units were found on stock verification

17. There are three production departments A, B and C and two service departments X and Y in Khali Ltd. From the following details prepare secondary distribution under Simultaneous Equation Method.

Total overhead after primary distribution :

Dept. A – Rs. 4,00,000 Dept. B – Rs. 3,50,000 Dept. C – Rs. 2,50,000

The expenses of service departments are to be apportioned on the following basis.

	Production Departments			Service Departments	
	A	B	C	X	Y
X	20%	40%	30%	–	10%
Y	40%	20%	20%	20%	–

18. From the following particulars compute machine hour rate for the month of April 2022.

Rent of the department (1/10 to this machine)	Rs. 15,000 p.a.
Operator's salary (1/8 to this machine)	Rs. 24,000 p.a.
Lighting (2 points to this machine out of 12 points)	Rs. 1,200 p.a.
Sundry expenses to this machine	Rs. 1,200 p.a.
Repair and maintenance for the machine	Rs. 24,000 p.a.
Cost of the machine	Rs. 25,000
Life	10 Years
Scrap value	Rs. 1,000

5 units of power would be used per hour at Rs. 2 per unit.
Machine will work for 1,800 hours p.a.

19. What are the advantages of cost accounting to the management ?