

Reg. No.

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BBABMC 312/BBMBMC 312

Credit Based Fifth Semester B.B.A./B.B.M. Degree

Examination, November/December 2018

(2012 Scheme)

COST ACCOUNTING

Time : 3 Hours

Max. Marks : 120

Instruction : Support your answer with working notes **wherever necessary.**

SECTION – A

(Two marks each)

Answer **any ten** questions in **two** or **three** sentences **each** :

(2×10=20)

1. a) What is purchase requisition ?
- b) What is time booking ?
- c) What is ABC analysis ?
- d) What is labour turnover ?
- e) What is idle time ?
- f) Give the meaning of secondary distribution of overhead.
- g) What is a bincard ?
- h) What is a cost sheet ?
 - i) What do you mean by EOQ ?
 - j) Give the meaning of lead time.
- k) If profit is 20% of sales and sales is ₹ 4,00,000. What is cost of sales ?
 - l) What do you mean by variable overhead ?

P.T.O.



SECTION – B
(Eight marks each)

Answer **any five** questions :

(8×5=40)

2. Distinguish between Bin card and stores ledger.
3. Explain the purchase procedure.
4. Prepare estimated cost sheet from the following data :

Estimated material ₹ 96,000.

Estimated labour cost ₹ 1,08,000.

It is estimated that the factory overhead will be 100% of direct wage. Administrative overhead will be 50% work cost. Selling and distribution overhead will be 10% on cost of production. The expected profit will be 33.33% on the sales.

5. A lorry load of material of mixed goods was purchased for ₹ 1,00,000 by Mr. Vidhyuth Kumar. Later on these were sorted out into the following categories :

Category A : 1000 units, selling price ₹ 20 per unit.

Category B : 2000 units, selling price ₹ 22.50 per unit.

Category C : 2400 units, selling price ₹ 25 per unit. Find out the purchase price per unit of each category of material assuming that all grades yield same rate of profit.

6. Calculate the earnings of workers Bharan and Varun under Taylor's differential piece rate system from the following particulars :

Normal rate per hour ₹ 240 standard time to produce one unit : 20 seconds.

Differentials to be applied : 80% of piece rate for below standard, 120% of piece rate for at and above standard.

Worker Bharan produces 1300 units per day and worker Varun produces 1500 units per day.

Normal working hours per day is 8 hours.



7. From the following data calculate :

- a) Minimum Stock Level
- b) Maximum Stock Level
- c) Reorder Stock Level and
- d) Average Stock Level

Minimum consumption : 100 units per day

Maximum consumption : 150 units per day

Normal consumption : 120 units per day

Reorder period : 10 to 15 days

Reorder quantity : 1500 units

Normal reorder period : 12 days.

8. Compute the machine hour rate for a lathe from the following details :

Rent of the department ₹ 6,000 p.a.

(space occupied by this machine is 1/4 of the department)

Lighting ₹ 2,500 p.a.

(total light points in the department is 15 out of which 3 are for this machine)

Insurance ₹ 600 p.a.

Salary of supervisor ₹ 24,000 p.a.

(1/3 of his time is occupied by this machine)

The machine was purchased for ₹ 50,000 and scrap value is ₹ 4,000.

Its estimated working life is 10 years.

The machine runs 2,300 hours per annum and it requires ₹ 17,250 expenditure towards repairs throughout its life. It consumes 5 units of power per hour at a cost of ₹ 4 per unit.



SECTION – C
(Twenty marks each)

Answer **any three** questions from the following :

(20×3=60)

9. The following are the details relating to the year 2017 :

| | ₹ |
|---|----------|
| Plant repairs | 2,00,000 |
| Non-productive wages | 2,45,000 |
| Power | 90,000 |
| Management expenses | 1,20,000 |
| Salaries to clerks | 2,40,000 |
| Depreciation on plant | 70,000 |
| Lighting | 40,000 |
| Rates and taxes | 16,000 |
| Heating | 32,000 |
| Profit from canteen | 9,000 |
| Sale of scrap | 24,000 |
| General expenses | 92,000 |
| Salaries to salesmen | 1,46,600 |
| Consumable stores | 1,50,000 |
| Defective work | 56,000 |
| Goodwill written off | 10,000 |
| Interest on loan | 12,000 |
| Production and sales (units) | 50,000 |
| Materials ₹ 18 per unit and wages paid ₹ 12 per unit produced, selling price ₹ 54 per unit. Prepare a cost sheet for the year 2017. | |



10. Prepare a stores ledger account under LIFO method for April 2017 :

- 1 Opening balance 250 units @ ₹ 1.00 per unit
- 3 Issued 50 units MR No. 61
- 6 Received 800 units @ ₹ 1.10 per unit GR No. 13
- 7 Issued 300 units MR No. 63
- 8 Returned to stores 20 units issued out of Mr. No. 61
- 12 Received 300 units @ ₹ 1.20 per unit GR No. 15
- 15 Issued 320 units MR No. 83
- 18 Received 100 units @ ₹ 1.20 per unit GR No. 77
- 20 Issued 120 units MR No. 102
- 23 Returned to vendors 40 units received as per GR No. 77
- 26 Received 200 units at ₹ 1.00 per unit GR No. 96
- 28 Freight paid ₹ 50 on purchase as per GR No. 96
- 30 Issued 250 units MR No. 113

11. a) Calculate the normal and overtime wages payable to the workman from the following data :

| Days | Hours worked |
|-----------|--------------|
| Monday | 8 |
| Tuesday | 10 |
| Wednesday | 9 |
| Thursday | 11 |
| Friday | 9 |
| Saturday | 4 |

Normal working hours per day is 8 hours. Normal time rate is ₹ 100 per hour. Over time rate is upto 9 hours in a day at single rate and over 9 hours in a day at double rate or upto 48 hours at single rate and over 48 hours at double rate, whichever is more beneficial to the workman ?



b) A worker takes 6 hours to complete a job under a scheme of payment by results. Standard time allowed for the job is 9 hours. His wage rate ₹ 150 per hour. Material cost of the job is ₹ 960 and overhead are recovered at 200% of total direct wages. Calculate factory cost of the job under Halsey premium plan and Rowan premium plans.

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12. In a factory there are three production departments (A, B and C) and two service departments (D and E). The following figures are for January 2017.

| | ₹ | | | | |
|---------------------------|----------|----------|----------|----------|----------|
| Rent of building | | | | | |
| | | | | | |
| Lighting | | | | | |
| Indirect wages | | | | | |
| Supervision charges | | | | | |
| Power | | | | | |
| Depreciation of machinery | | | | | |
| Sundries | | | | | |
| Amenities to staff | | | | | |
| | A | B | C | D | E |
| Floor area (sq. feet) | 2,000 | 1,000 | 3,000 | 2,000 | 2,000 |
| Light points | 20 | 30 | 10 | 30 | 30 |
| Direct wages (₹) | 60,000 | 80,000 | 20,000 | 50,000 | 50,000 |
| H.P. of machines | 3 | 3 | 4 | 3 | 2 |
| Value of machinery | 40,000 | 60,000 | 20,000 | 20,000 | - |
| Number of workers | 20 | 30 | 25 | 25 | 20 |



The expenses of **D** and **E** are to be allocated as follows :

| | A | B | C | D | E |
|----------|----------|----------|----------|----------|----------|
| D | 20% | 30% | 40% | — | 10% |
| E | 40% | 20% | 30% | 10% | — |

Prepare primary and secondary distribution summary under repeated distribution method.
