

**BBABMC 312/BBMBMC 312****V Semester B.B.A. / B.B.M Degree Examination,
October/November 2019***(Credit Based Semester Scheme)**(2012 Scheme)**(Common to all Batches)***Cost Accounting**

Time : 3 Hours]

[Max. Marks : 120

Instructions: Support your answer with working notes wherever necessary.

SECTION - A

(two marks each)

1. Answer **any ten** from the following :**(10 × 2 = 20)**

- What is the meaning of overtime?
- Define costing.
- What is time keeping?
- What is prime cost?
- What is a bin card?
- What is purchase order?
- What do you mean by lead time?
- What is meant by ABC analysis?
- Define economic order quantity.
- What do you mean by absorption of overheads?
- What is labour turnover?
- What do you mean by 'Notional Cost'?

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SECTION - B
(Eight Marks each)

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

(5 × 8 = 40)

2. Explain the objectives of cost accounting.
3. Explain the purchase procedure.
4. From the following information prepare Bin Card number 291 for the material 'pigment' for which 'PM-01' is the code.

2017		Kg
Jan 1	Opening balance	5,000
2	Issued MR NO 811	2,600
9	Received from Supplier GR NO 192	6,000
14	Issued MR NO 826	4,000
21	Received from supplier GR NO 198	12,000
24	Returned to supplier MR NO 102	200
26	Shortage as per stock verification	20
29	Issued MR NO 899	3,000

5. A truckload of materials of mixed grades was purchased for ₹ 90,000. These were sorted out into the following grades whose market rate is shown against each:

Grade A	5,000 units, selling price per unit ₹ 12.
B	3,000 units, selling price per unit ₹ 10.
C	2,000 units, selling price per unit ₹ 5.

Find out the purchase rate per unit of each grade of the material assuming that all grades yield the same rate of profit.

6. Calculate the **earnings** of workers A and B under Taylor's differential piece rate system from the following particulars.

Normal rate per hour ₹ 120

Standard time per unit 30 seconds

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

Worker 'A' produces 800 units per day and worker 'B' produces 1000 units.



7. Materials X and Y are used as follows :
- Minimum usage : 50 units each per week
Maximum usage : 150 units each per week
Normal usage : 100 units each per week
- Ordering quantities X : 600 units Y : 1000 units
Delivery period X : 4 to 6 weeks Y : 2 to 4 weeks
- Calculate for each material minimum level, maximum level, reorder level and average stock level.
8. Calculate 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.

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SECTION - C

(Twenty Marks Each)

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

(3 × 20 = 60)

9. Prepare a stores ledger account under LIFO method for April 2017.
- 1 Opening balance 250 units @ ₹ 1 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 @ ₹ 1 per unit GR NO 96
- 28 Freight paid ₹ 50 on purchasing as per GR NO 96
- 30 Issued 250 units MR NO 113

10. (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 ₹ 50 per hour. Overtime rate is upto 9 hours in a day at single rate and over hours at double or upto 48 hours at single rate and over 48 hours at double rate, whichever is more beneficial to the workman. (8)

(b) The following are the details of workers Bhuvan and Bhuvith who produce respectively 180 & 120 units in a normal day of 8 hours.

Assuming that day wage would be guaranteed at ₹ 30 per hour and the piece rate would be based on a standard hourly output of 10 units, calculate the earnings of both the workers under

- (i) Day wage
- (ii) Piece wage
- (iii) Halsey scheme
- (iv) Rowan scheme

(12)

11. In a factory there are 3 production departments A, B and C, and 2 service departments D and E. From the following details prepare primary distribution summary and secondary distribution summary under simultaneous equation method:



	₹
Indirect materials	30,000
Indirect wages	20,000
Depreciation on machinery	50,000
Depreciation on buildings	10,000
Rent and taxes	20,000
Power	30,000
Lighting	1,000
General expenses	30,000

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	A	B	C	D	E
Direct Materials	40,000	20,000	40,000	20,000	20,000
Direct Wages	30,000	30,000	8,000	4,000	8,000
Value of machinery	1,00,000	2,00,000	1,50,000	50,000	1,00,000
Floor Area(Sq. ft)	1,000	1,500	1,500	500	500
H.P of machines	8	7	15	5	5
Light points	6	8	12	4	5

Departments D and E render the service as follows:

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

12. The following particulars are extracted from the costing records of Mahesh Manufacturing Company for the year ending 31st December 2017:

	₹
Purchase of materials	9,60,000
Productive wages	7,84,000
Salaries	28,000



	₹
Carriage inwards	16,000
Works overheads	3,36,000
Office rent & taxes	6,500
Audit fees	5,500
Office manager's salary	4,500
Printing and stationery	3,500
General expenses	16,000
Sales (finished goods)	24,00,000
Stock on 1-1-2017 :	

Raw materials ₹ 1,60,000

Work in progress ₹ 38,400

Finished goods (3200 tons) ₹ 1,28,000

Stock on 31-12-2017

Raw Materials ₹ 1,33,000

Work in progress ₹ 1,28,000

Finished goods (6400 tons)

Advertising, discount allowed and selling costs, etc are ₹4 per ton sold.
During the year 51,200 tons of the product were produced.

Prepare a cost sheet for the period ending 31-12-2017.