Reg. No. | | | | | | | | | | | |

BBABMCN 301

III Semester B.B.A. Degree Examination, December 2024/January 2025
(NEP-2020) (2022-23 Batch Onwards)
COST ACCOUNTING

Time : 2 Hours Max. Marks : 60

***Instruction** : Provide working notes **whenever** necessary.*

SECTION – A
(2 Marks Each)

Answer **any five** questions. **Each** question carries **2** marks. **(5×2=10)**

1. What is Bin Card ?
2. Give the meaning of Purchase Requisition Note.
3. List the various elements of cost.
4. What is holding cost ?
5. What do you mean by a cost unit ?
6. A company requires 20,000 units of a material per year. The cost to place an order is Rs. 100 and the holding cost per unit per year is Rs. 4. What is the Economic Order Quantity (EOQ) ?
7. Calculate cost of sales, when sales is Rs. 5,00,000 and profit is 25% of sales.

SECTION – B
(5 Marks Each)

Answer **any four** questions. **Each** question carries **5** marks. **(4×5=20)**

8. Prepare estimated cost sheet from the following

   Estimated materials Rs. 90,000

   Estimated labour cost Rs. 1,05,000

   It is estimated that the factory overhead will be 100% of the direct wages. Administrative overhead will be 50% of works cost, selling and distribution overhead will be 10% on cost of production. The expected profit will be 25% on the sales.

P.T.O.

9. In manufacturing a product, material X is used as follows :
   Maximum usage : 8000 kg per week
   Minimum usage : 5000 kg per week
   Re-order quantity : 4000 kg
   Re-order period : 4 to 6 weeks
   Calculate :
   a) Re-order level
   b) Maximum level
   c) Minimum level
   d) Average stock level.

10. Using the following data, calculate the total remuneration payable to a worker under Halsey plan and Rowan Plan
    Standard time : 48 hours
    Time taken : 42 hours
    Time rate : Rs. 60 per hour

11. In a factory there are three production departments A, B and C and two service departments D and E. From the following details prepare primary distribution summary.
    Indirect material Rs. 30,000
    Indirect wages Rs. 20,000
    Depreciation on machinery Rs. 50,000
    Rent and taxes Rs. 20,000
    Lighting Rs. 1,000
    Other details are as follows

	A	B	C	D	E
Direct material	40000	20000	40000	20000	20000
Direct Wages	30000	30000	8000	4000	8000
Value of machinery	100000	200000	150000	50000	100000
Floor area	1000	1500	1500	500	500
Light points	6	8	12	4	5

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

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

    Differential 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 Karan produces 1500 units per day.

    Normal working hours per day is 8 hours.

13. What are the causes of overtime ? And how it can be managed ?

14. Describe the methods of absorption of manufacturing overheads.

SECTION – C
(10 Marks Each)

Answer **any three** questions. **Each** question carries **10** marks. **(3×10=30)**

15. What are the reasons for differences in profits reported under financial accounts and cost accounts ?

16. Following receipts and issues of material "S" were made during the month of March 2024. Stock of Z on 1st March 2024 was 400 units at Rs. 10 per unit.

    December 2 Purchased 100 units @ Rs. 11 per week
    6 Issued 400 units
    10 Received 600 units @ Rs. 15 per week
    13 Issued 500 units
    15 Received 500 units @ Rs. 16 per unit
    18 Issued 600 units
    21 Purchased 800 units @ Rs. 20 per unit
    25 Issued 500 units
    26 Issued 200 units
    31 Purchased 300 units @ Rs. 30 per unit

    Prepare the stores ledger under LIFO method.

17. A company has three production departments X, Y and Z and two service department A and B. The overheads as per primary distribution are :

    Dept. X Rs. 12,00,000
    Dept. Y Rs. 10,50,000
    Dept. Z Rs. 7,50,000
    Dept. A Rs. 3,50,000
    Dept. B Rs. 4,50,000

The expenses of service departments A and B are apportioned on a percentage basis

	X	Y	Z	A	B
Expenses of Dept. A	20%	30%	30%	–	20%
Expenses of Dept. B	30%	30%	20%	20%	–

Apportion the expenses of service departments to production departments under simultaneous equation method.

18. Calculate machine hour rate from the following information :
Rent of Department (space occupied by this machine is 1/4 of the dept.) Rs. 6,000 p.a
Operator's salary (1/8 for this machine) Rs. 20,000 p.a
Insurance Rs. 720 p.a
Lighting (out of 15 light points 3 points are for this machine) Rs. 1,200 p.a
Sundry expenses Rs. 1,200 p.a
The machine was purchased for Rs. 50,000 and scrap value is Rs. 4,000. Its estimated working life is 10 years. The machine runs 2300 hours per annum and it requires Rs. 17,250 expenditure towards repairs throught its life. It consumes 5 units of power per hour at a cost of Rs. 4 per unit.

19. The following particulars are obtained from the financial accounts of Manu Cables Ltd. for the year ended 31-12-2023. Prepare Cost Sheet.

Elements	**Rs.**	**Elements**	**Rs.**
Purchase of Materials	98,000	Productive Wages	74,700
Unproductive wage	11,300	Bank Charges	1,600
Showroom expenses	1,600	Office expenses	2,200
Carriage inward	1,000	Carriage outward	1,500
Bad debt	3,500	Office Rent and Taxes	2,400
Goodwill	4,250	Travelling expenses	3,000
Factory Rent	4,000	Gas and water	675
Motive power	4,500	General charges	600
Depreciation on Furniture	1,200	Repairs to factory	1,400
Office salary	17,525	Telephone charges	1,850
Chargeable expenses	25,000	Income tax	2,500
Printing and stationery	1,500	Commission on sales	3,860
Depreciation on plant	2,900	Legal charges	625
Works stationery	1,300	Sales	4,00,000