



64426

IV Semester B.B.A. Examination, September/October 2023  
(CBCS Scheme) (Repeaters)  
**BUSINESS ADMINISTRATION**  
**Cost Accounting**

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answers should be written **completely** in **English**.

**SECTION – A**

1. Answer **any five** sub-questions of the following. **Each** sub-question carries **two** marks. **(5×2=10)**

- State any two objectives of cost accounting.
- What do you mean by Direct Labour ?
- What is EOQ ?
- Name any two types of bonus schemes.
- What are methods of pricing material issues ?
- What do you mean by Machine Hour rate ?
- What is Rowan plan ?



**SECTION – B**

Answer **any three** questions of the following. **Each** question carries **six** marks. **(3×6=18)**

- State the differences between Cost Accounting and Financial Accounting.
- From the following particulars of a manufacturing concern, ascertain the Prime Cost.

	Rs.
Opening stock of raw materials	20,000
Closing stock of raw materials	30,000
Purchase of raw materials	1,05,000
Import duty paid on raw material purchased	15,000
Carriage inward	5,000
Primary packing materials	3,000
Productive wages	95,000
Opening stock of work-in-progress at prime cost	17,000
Closing stock of work-in-progress at prime cost	10,000
Hire charge paid on plant	14,000
Other chargeable expenses	6,000

P.T.O.



4. In a manufacturing company a material is used as follows :

Re-order quantity	3600 units
Re-order period	3 to 5 weeks
Maximum consumption	900 units per week
Minimum consumption	300 units per week
Normal consumption	600 units per week

Calculate :

- 1) Reorder level.
  - 2) Minimum stock level.
  - 3) Maximum stock level.
5. A worker takes 54 hours to complete a job on highly wages and 36 hours on a scheme of payment by results. His day rate is Rs. 750/hour. Calculate his earnings using :

- a) Halsey plan
- b) Rowan plan.

6. Compute machine hour rate from the following data.

- Purchase cost of the machine Rs. 4,00,000
- Scrap value after 10 years of Rs. 40,000 life
- Yearly working hours 2,000
- Charge 50% of depreciation as repairs
- Power cost 5 units of power per hour at Rs. 5 per unit
- Oil expenses at Rs. 40 per day of 8 hours
- Consumable stores at Rs. 200 per day of 8 hours.

#### SECTION – C

Answer **any three** questions of the following. **Each** question carries **14 marks**. (3×14=42)

7. The following expenses were incurred for a job during the year ending 31-3-2020.

	Rs.
Direct material	3,000
Direct wages	4,000
Chargeable expenses	1,000
Factory overheads	2,000
Selling and distribution overheads	2,000
Administration overheads	3,000
Selling price of the job	18,000



You are required to prepare a statement of cost and profit from the Job and an estimated price of a Job which is to be executed in the year 2021. Materials, wages and chargeable expenses will be required of Rs. 5,000, Rs. 7,000 and Rs. 2,000 respectively for the Job. The various overheads to be recovered on the following basis.

- a) Factory overheads as a percentage of direct wages.
- b) Administration and selling and distribution overheads as a percentage of works cost.
- c) Selling price of the estimate is to be calculated by applying rate of profit on cost of sales of 2020.

8. The following transactions were made during the month of April 2021. Prepare Stores Ledger Account by Simple average and weighted average methods.

- 1-4-2021 Opening stock of materials 1500 units @ Rs. 12 p.u.
- 2-4-2021 Issued 200 units
- 4-4-2021 Purchased 1000 units at Rs. 15 per unit issued 1200 units
- 8-4-2021 Issued 1200 units
- 12-4-2021 Purchased 600 units at Rs. 20 per unit
- 15-4-2021 Issued 650 units
- 20-4-2021 Returned to stores from issue of April 02 100 units
- 24-4-2021 Purchased 300 units @ Rs. 25 per unit
- 28-4-2021 Issued 250 units
- 30-4-2021 Issued 300 units

9. The ABC Co. is having 4 departments A, B and C are production department and D is a service department the Actual cost for a period are as follows.

	<b>Rs.</b>
Rent	20,000
Repair	12,000
Depreciation	9,000
Lighting	2,000
Supervision	30,000
Insurance on materials	10,000
Employees Insurance	3,000
Power	18,000





The following data are also available in respect of four departments :

	A	B	C	D
Area in Sq. feet	150	110	90	50
No. of workers	24	16	12	8
Total wages in (Rs.)	8,000	6,000	4,000	2,000
Value of plant (Rs.)	24,000	18,000	12,000	6,000
Value of stock	15,000	9,000	6,000	—

Apportion the cost to various departments on the most equitable basis and service department cost to production department in 4 : 4 : 2 ratio.

10. From the following particulars calculate the earnings of a worker under :

- 1) Straight piece rate
- 2) Differential piece rate
- 3) Halsey Bonus plan (50% sharing)
- 4) Rowan premium scheme.

Weekly working hrs.	40
Piece rate per piece	Rs. 20
Hourly rate of wages	Rs. 60
Normal time taken per piece	20 minutes
Normal output per week	120 pieces
Actual output of the worker per week	150 pieces

Differential piece rate :

- a) 80% of piece rate for output below normal output.
- b) 120% of piece rate for output above normal output.

11. From the following figures prepare a Reconciliation Statement and find out profit as per financial accounts.

	Rs.
a) Net profit as per Cost Accounts	66,760
b) Factory overhead under recovered in costing	5,700
c) Administration overhead recovered in excess	4,250
d) Depreciation charged in Financial Accounts	3,660
e) Depreciation recovered in cost books	3,950
f) Interest included in Financial books on	450
g) Income tax provided in Financial only	600
h) Bank interest credited in Financial books	230
i) Stores Adjustments credited in Financial Accounts	420
j) Depreciation of stock charged in financial account	860
k) Dividend appropriated in financial accounting	1,200
l) Loss due to theft not shown in cost books	260