

**GS-524**

IV Semester B.B.A. Examination, May/June 2019

BUSINESS ADMINISTRATION

Paper-4.6 : Cost Accounting

(CBCS) (Fresh + Repeaters) (2015-16 & Onwards)

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written only in English.**SECTION - A**Answer **any five** sub-questions of the following. Each sub-question carries **two** marks.**5x2=10**

1. (a) Define Cost Accounting.
- (b) What are Direct Costs? Give two examples.
- (c) How to compute Direct Material Consumed?
- (d) What is Time Keeping?
- (e) Name any two types of Bonus Schemes.
- (f) What are overheads? Give Examples.
- (g) What is meant by Reconciliation between CA profit and FA profit?

SECTION - BAnswer **any three** questions of the following. Each question carries **six** marks.

2. Define Cost Accounting. Explain the Objectives of Cost Accounting **3x6=18**
3. The following extracts of costing information relate to commodity-Z for the year ending 31.03.2019

Particulars	₹
purchase of Raw Materials	60,000
Direct Wages	50,000
Rent, Rates and Insurance	20,000
Carriage Inwards	10,000
Stock (01.04.2018): Raw Materials	10,000
: Finished products-200 Tonnes	8,000
Stock (31.03.2019): Raw Materials	11,000
: Finished products-400 Tonnes	----
Cost of Factory Supervision	4,000
Sale of Finished Products	1,50,000

Advertising and selling cost is ₹ 4 per ton sold and 3,200 tonnes of the commodity were sold out of 3400 units produced during the year 2018-19. prepare a cost sheet.



4. In a manufacturing company, the particulars of Material-P is as follows :
- Re-ordering quantity-4000 units
 - Maximum Consumption-1000 units
 - Minimum Consumption-400 units
 - Normal Consumption-700 units
 - Re-order period-3 to 5 weeks
- Calculate (a) Re-order level (b) Minimum Level and (c) Maximum Level
5. A worker produced 250 units in a week's time. The Guaranteed weekly wage payment for 45 hours is ₹ 90. The expected time to produce one unit is 15 minutes which is raised further by 20% under the incentive schemes. What will be his earnings per hour under Halsey plan and Rowan plan ?
6. Workout the Machine Hour Rate for the following Machin-X for the month of March 2019
- | | |
|---|-----------------------|
| cost of the Machine | ₹ 9,00,000 |
| Freight and Installation | ₹ 1,00,000 |
| Working Life | 10 Years |
| Working Hours | 20,000 Hours per year |
| Repairs and Maintenance | ₹ 50% of Depreciation |
| Power-10 units per hour @ ₹ 3.50 per unit | |
| Lubricating Oil ₹ 200 per day of 8 hours | |
| Consumables @ ₹ 100 per day of 8 hours | |
| Wages of Operator @ ₹ 400 per day | |

SECTION - C

Answer **any three** questions of the following. Each question carries **fourteen** marks. **3x14=42**

7. From books of M/s Laxman Enterprises the following details have been extracted for the year March 2019:

		₹
Stock of Materials	opening	1,88,000
	Closing	2,00,000
Materials purchased during the year		8,32,000
Direct Wages paid		2,38,400
Indirect Wages		16,000
Salaries to Administrative staff		40,000
Freight:	Inward	32,000
	outward	20,000
Cash discount allowed		14,000
Bad Debts w/o		18,800
Repairs of plant and Machinery		42,400
Rent,Rates and Taxes:	Factory	12,000
	office	6,400
Travelling Expenses		12,400
Sales Men's Salary and Commission		33,600



Depreciation w/o :	Plant & Machinery	28,900
	Furniture	2,400
Directors Fee		24,000
Electricity Charges	Factory	48,000
Fuel for Boilers		64,000
Sales of Scrap		500
General charges		24,800
Manager's Salary		48,000
Sales		15,80,000

The Manager's Salary between the factory and the office in the ratio of 1:4 From the above details prepare a cost sheet to show: (a) prime Cost, (b) Factory Cost (c) Cost of Production, (d) Cost of Sales and (e) Profit.

8. The following is the record of receipt and issues of a certain material in the factory during the first week January 2019, prepare the stores ledger account under FIFO method.

2019

Jan. 1	Opening balance	500 tonnes @ ₹ 100 per ton
	Issued	300 tonnes
2.	Received	600 Tonnes @ ₹ 102 per ton
3.	Issued	250 tonnes (stock verification reveals a loss of 10 tons)
4.	Received back from work orders	100 tonnes (previously issued at ₹ 91.50 per order ton)
5.	Issued	400 tonnes
6.	Received	220 tonnes @ ₹ 103 per ton
7.	Issued	380 tonnes

9. On the basis of the following information, calculate the earnings of workers M & N under (a) Time Rate system (b) Straight piece rate system and (c) Taylors Differential Piece Rate System.

Standard production - 8 units per hours

Normal time rate - ₹ 4 per hour

Differentials to be applied:

- (a) 80% of piece rate below standard
(b) 120% of piece rate at or above standard

In a 9 hours day, M produced 54 units and N produced 75 units.



10. A factory has three production departments and two service departments. the primary overhead distribution summary shows the following :

Departments	A	B	C	P	Q
Overheads (₹)	6,50,000	6,00,000	5,00,000	1,20,000	1,00,000

The service department expenses are allotted on a percentage basis as follows:

	Production Department			Service Department	
	A	B	C	P	Q
Service Dept.p	30	40	15	--	15
Service Dept.Q	40	30	25	5	--

Show how the expenses of the two service departments are to be charged to production department under; (a) Repeated distribution method and (b) Simultaneous Equations method

11. From the following details, you are required to prepare a Reconciliation Statement and also ascertain the profit as per financial book:

Particulars	Cost Books (₹)	Financial Books (₹)
1. profit as per Cost records	3,85,000	?
2. Work overhead	68,500	72,000
3. Administrative overheads	92,750	1,02,000
4. selling overheads	45,600	38,500
5. Depreciation	----	62,850
6. Stored adjustment (Credit)in P&L a/c	----	7,500
7. Value of opening Stock	86,400	75,000
8. Value of closing Stock	94,800	86,400
9. Reserve for Bad Debts	---	16,050
10. Interest on Bank deposit received	---	16,750
11. Loss on Sale of Machinery	---	15,000
12. Tax Provision	---	42,750
13. Interest on Bank Loan paid	---	18,250

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