COURSE CODE: 19BA/MC/CA23

B.B.A DEGREE EXAMINATION APRIL 2023
BUSINESS ADMINISTRATION
SECOND SEMESTER

COURSE   : MAJOR CORE
COURSE TITLE   : COST ACCOUNTING
TIME   : 3 HOURS   **MAX. MARKS: 100**

Section - A

Answer ALL the Questions: **(10x2=20)**

1. Define the term Costing
2. What is Bin Card?
3. Write a short note on Normal Loss.
4. What is Apportionment of overheads?
5. State the meaning of Running charges. Give some examples.

6. Calculate Maximum Stock level;
   Re -order level : 4000 kgs; Re- order quantity : 2500 kgs; Minimum reorder period :6 weeks; minimum consumption per week : 300 kgs.

7. Calculate Labour turnover under replacement method:
   Number of employees replaced during 2008 : 1000
   Average number of employees during 2008 : 8000

8. Pankajam travels employs 5 buses which run over a route of 140 kms (one way) making one round trip per day.The buses run 360 days per year and 10% of them on average are laid out for repairs. Ascertain the total running kilometres per year.

9. Ascertain the Abnormal loss/ gain units
   Input : 2000 units ; Normal loss : 10% ; Output : 1620 units.

10. Standard time 10 hours. Number of units to be completed 5. Hourly rare is Re.0.25. Time taken 8 hours. Calculate workers total earnings under Rowan plan.

Section – B

Answer Any FIVE Questions   **(5x8=40)**

11. What are the differences between Management Accounting and Cost Accounting?
12. The following particulars were collected from a manufacturing unit for the year 2002:

Monthly demand	1,000 units
Cost of placing an order	Rs.100
Annual carrying cost per unit	Rs.15
Normal usage	50 units per week
Minimum usage	25 units per week
Maximum usage	75 units per week
Reorder period	4 to 6 weeks

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Calculate from the above particulars:
a) Reorder quantity
b) Re – order level and
c) Minimum Level.

13. Prepare a stores ledger account using Weighted Average method of pricing the issue of materials.

2007		
March	1	Balance 1,000 units @Rs.70 per unit
	3	Purchased 2,000 units @Rs.80 per unit
	5	Issued 500 units
	10	Issued 1,000 units
	15	Purchased 2,000 units at Rs. 80 per unit.
	18	Issued 400 units
	20	Received back 25 units out of the issued made on 5th March
	22	Issued 1,500 units
	24	Returned to supplier 30 units out of the purchase made on 15th March
	25	Purchased 1,000 units at Rs.75 per unit
	30	Issued 1,000 units.

Physical verification on 21st March revealed a shortage of 15 units and 20 units shortage on 30th March.

14. From the following data, prepare a statement showing the cost per day of 8 hours of engaging a particular type of labour;
a) Monthly salary (Basic plus dearness allowance) Rs.400
b) Leave salary payable to workman 15% of basic and dearness allowance.
c) Employee's contribution to provident fund 8% of salary (items a and b)
d) Employer's contribution to E.S.I 5% of salary (items a and b)
e) Pro rata expenditure on amenities to labour Rs.25 per head per month
f) No.of working hours in a month 200.

15. The following information relates to the activities of a production department for a certain period in a factory:
Materials used   : Rs.72,000
Direct wages   : Rs. 60,000
Hours of machine operation   :   20,000
Labour hours worked   :   24,000
Overheads chargeable to department : Rs. 48,000
On one order carried out in the department during the period, the relevant data were:
Material used   :Rs.4,000
Labour hours   :   1,650
Direct wages   :Rs. 3,300
Machine hours   :   1,200
Prepare a comparative statement of cost of this order by using the following three methods of recovery of overheads:
a) Direct labour -hour rate method
b) Direct labour -cost rate method
c) Machine hour rate method.

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16. Explain the various method of Absorption of overheads.

17. Surya industries produces a product which passes through two process I and II and then to finished stock. It is ascertained that in each process 5% of the total weight put in is lost and 10% is scrap which realised Rs.5 per ton and Rs.15 per ton respectively in Process I &II. The following details are available.

Particulars		Process I	Process II
Materials consumed in tons		2,000	140
Cost of materials per ton	Rs.	200	300
Wages	Rs.	20,000	15,000
Manufacturing expenses	Rs.	6,000	5,000

Prepare process accounts showing the cost of output of each process and cost per ton.

Section – C

Answer Any TWO Questions (2x20=40)

18. Draw a stores ledger card recording the following transactions under
    a) FIFO Method b) LIFO Method.

2008 July		
	1	Opening stock 2,000 units at Rs.10 each
	5	Received 1,000 units at Rs.11 each
	6	Issued 500 units
	10	Received 5,000 units at Rs.12 each
	12	Received back 50 units out of the issue made on 6th July
	14	Issued 600 units
	18	Returned to supplier 100 units out of goods received on 5th July
	19	Received back 100 units out of the issued made on 14th July
	20	Issued 150 units
	25	Received 500 units at Rs.14 each.
	28	Issued 300 units

The stock verification report reveals that there was a shortage of 10 units on 18th July and another shortage of 15 units on 26th July.

19. From the following particulars work out the earnings for the week of a worker under.
    a) Straight piece- rate
    b) Differential piece – rate
    c) Halsey premium system
    d) Rowan system.
       Number of working hours per week 48
       Wages per hour- Rs.3.75
       Normal time per piece – 20 minutes
       Rate per piece – Rs.1.50
       Normal output per week – 120 pieces
       Actual output for the week – 150 pieces
       Differential piece rate : 80% of piece – rate when output is below standard and 120% when above standard.

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20. The product of a company passes through two processes to completion known as A & B. From the past experience it is ascertained that loss is incurred in each process as:
Process A – 2%   Process B – 5%
In each case the percentage of loss is computed on the number of units entering the process concerned.
The loss of each process possesses a scrap value. The loss of processes A and B is sold at Rs. 5 per 100 units.
The output of each process passes immediately to the next process and the finished units are passed into stock.

	Process A	Process B
Materials consumed	6,000	4,000
Direct labour	8,000	6,000
Manufacturing expenses	1,000	1,000

20,000 units have been issued to Process A at a cost of Rs.10,000. The output of each process has been under : Process A 19,500 ; Process B 18,800. Prepare Process Account.

21. Compute cost per running kilometre from the following data of a truck.
Estimated life of vehicle 1,00,000 kms
Annual running 15,000 kms.

	Rs.
Cost of a vehicle	25,000.00
Road licence (Annual)	750.00
Insurance (Annual)	700.00
Garage rent (Annual)	900.00
Supervision & salaries (Annual)	2,700.00
Driver's wages per hour	3.00
Cost of fuel per litre	3.00
Repairs and maintenance per k.m	1.75
Tyre allocation per k.m	0.90

Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20 kms. Per hour on an average and one litre of fuel gives 20 km.

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