STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2025 – 2026)

B.B.A DEGREE EXAMINATION, APRIL 2026
BUSINESS ADMINISTRATION
SECOND SEMESTER

COURSE : CORE
PAPER : COST ACCOUNTING
SUBJECT CODE : 25BA/MC/CA25
TIME : 3 HOURS **MAX. MARKS: 100**

Q. No.	**SECTION A** **Answer all the questions: (4 x 2 = 8)**	CO	KL
1)	State the objectives of Cost Accounting.	CO1	K1
2)	Give the meaning of the term Overhead.	CO1	K1
3)	A worker is paid a basic rate of Rs 20 per hour. In addition, he gets Rs 2,000 per week of 48 hours as dearness allowance. He completes a job with standard time of 60 hours during the week of 48 hours. Ascertain his earning under Rowan Premium plan.	CO1	K1
4)	Find out Abnormal Loss/Gain Units Input: 5,000 units Normal Loss:20% Output:4,300 units.	CO1	K1
Q. No.	**SECTION B** **Answer any Six questions: (6 x 5 = 30)**	CO	KL
5)	Draw the Performa of Cost Sheet.	CO2	K2
6)	Differentiate between Cost accounting and financial accounting.	CO2	K2
7)	How are the overheads classified based on the basis of elements?	CO2	K2
8)	Find out economic order quantity and the number of orders per year from the following information. Monthly consumption 3,000 units Cost per unit Rs 54 Ordering Cost Rs 150 per order Inventory carrying cost 20% of the average inventory.	CO2	K2
9)	From the following particulars, Compute the Machine Hour Rate: Cost of the Machine – Rs 11,000 Scrap Value -Rs 680 Repairs for the effective working life- Rs 1,500 Standing charges for 4 weekly period- Rs 40 Effective working life 10,000 hours Power used: 6 units per hour at 5 paise per unit Hours worked in 4 weekly period: 120 hours.	CO2	K2
10)	XY Ltd. Purchased and issued the materials in the following order 2013 March 01 – Purchased 300 units at Rs 3 per unit 05 – Purchased 500 units at Rs 4 per unit 10 – Issued 500 units 12 – Purchased 700 units at Rs 4.50 per unit 15 – Issued 700 units 20 – Purchased 300 units at Rs 5 per unit 30 – Issued 150 units Ascertain the quantity of closing stock as on 31st March and state its value under "Weighted Average Cost" Method.	CO2	K2

<table>
<tr><td>11)</td><td>Zen Ltd Produces a product through two processes ‘R’ and ‘S’. The following details pertaining to process ‘R’ for January 2016 are available.
<table>
<tr><th>Inputs</th><th>Rs</th></tr>
<tr><td>Materials (500 units)</td><td>10,000</td></tr>
<tr><td>Labour</td><td>8,000</td></tr>
<tr><td>Indirect expenses</td><td>7,000</td></tr>
</table>
Normal loss in the process is estimated at 5% of the input which possesses a scarp value of Rs 31 per unit. Prepare the Process Account.</td><td>CO2</td><td>K2</td></tr>
<tr><td></td><td>SECTION C</td><td></td><td></td></tr>
<tr><td>Q. No.</td><td>Answer any Two questions: (2 x 8 = 16)</td><td>CO</td><td>KL</td></tr>
<tr><td>12)</td><td>Two Components X and Y are used as follows:
Reordering Quantity: X 1,200 units; Y 1,000 units
Reordering Period: X 2to 4 weeks; Y 3 to 6 weeks
Normal usage- 300 units per week each
Minimum usage-150 units per week each
Maximum usage-450 units per week each
You are required to calculate the following for each of the Components.
a) Reordering level
b) Maximum level
c) Minimum level
d) Average Stock level.</td><td>CO3</td><td>K3</td></tr>
<tr><td>13)</td><td>From the particulars given below, prepare Labour cost per man-day of 8 hours:
<table>
<tr><td>a) Basic Salary</td><td>Rs 2 per day</td></tr>
<tr><td>b) Dearness Allowance</td><td>25 paise per every point over 100 cost of living index for working class. Current cost of living index is 700 points</td></tr>
<tr><td>c)Leave Salary</td><td>10% of (a) & (b)</td></tr>
<tr><td>d)Employer’s contribution to provident Fund</td><td>8% of (a), (b) and (c)</td></tr>
<tr><td>e) Employer’s contribution to State Insurance</td><td>2.5% of (a), (b) and (c)</td></tr>
<tr><td>f) Expenditure on amenities to labour</td><td>Rs 20 per head per mensum</td></tr>
<tr><td>g) No of working days in a month</td><td>25 days of 8 hours each</td></tr>
</table></td><td>CO3</td><td>K3</td></tr>
<tr><td>14)</td><td>The following details are available for the month of May 2024 relating two service departments A and B and Production Department R and S.
<table>
<tr><td></td><td>Amount (Rs.)</td><td colspan="3">Apportionment Basis</td></tr>
<tr><td></td><td></td><td>B</td><td>R</td><td>S</td></tr>
<tr><td>A</td><td>20,000</td><td>25%</td><td>40%</td><td>35%</td></tr>
<tr><td>B</td><td>15,000</td><td></td><td>40%</td><td>60%</td></tr>
<tr><td>R</td><td>30,000</td><td></td><td></td><td></td></tr>
<tr><td>S</td><td>32,000</td><td></td><td></td><td></td></tr>
</table>
Prepare a summary of overhead distribution under the Step ladder method.</td><td>CO3</td><td>K3</td></tr>
</table>

SECTION D

Q. No.	**Answer any Two Questions: (2 x 8 = 16)**	CO	KL
15)	A manufacturer presents the following details about the various expenses incurred by him during the year ended 31st December 2013.	CO4	K4

Particulars	Amount
Cost of raw materials consumed	25,000
Advertising	1,000
Depreciation on Plant and Machinery	1,500
Factory office Salaries	6,000
Legal Expenses	300
Supervisor's Salary	5,500
Factory rates and insurance	1,000
Carriage Outwards	1,500
Direct Labour	20,000
Bad Debts	300
Office Stationery	200
Rent of Factory	2,500
Office Stationery	10,000
Commission of Sales	4,000
Audit fees	300
Income Tax	1,500
Donation to Charitable institutions	500
Purchase of new plant	10,000

Classify the above expenses under the various heads of cost, showing separately the total expenditure under each head. Also show separately those expenses which shall not be included in calculating the cost.

16)	The following information relates to the overhead expenses of XYZ Manufacturing Ltd. for the month of March: It has three Production departments P1, P2, P3 and two service departments S1 and S2.	CO4	K4

Particulars	**Amount (₹)**
Indirect Wages	60,000
Rent and Rates	40,000
Power	30,000
Depreciation	50,000
Canteen Expenses	20,000
Insurance	10,000
Lighting	15,000
Repairs and Maintenance	25,000
Total	2,50,000

Additional Information

Basis	P1	P2	P3	S1	S2	Total
Floor Area (sq.m)	2,000	1,500	1,000	500	500	5,500
No. of Workers	40	30	20	5	5	100
Machine Value (₹)	3,00,000	2,00,000	1,50,000	50,000	50,000	7,50,000
Lighting Points	20	15	10	5	5	55
Direct wages	10000	8000	6000	4000	2000	30000

Apportion the costs to the various departments under Primary Apportionment Method.

17) X Company has purchased and issued materials as under: CO4 K4

June 2023

1	Stock of materials	200 units @ Rs. 2.50 per unit
3	Purchased	300 units @ Rs. 3.00 per unit
7	Purchased	500 units @ Rs. 4.00 per unit
10	Issued	600 units
12	Purchased	400 units @ Rs. 4.00 per unit
18	Issued	500 units
24	Purchased	400 units @ Rs. 5.00 per unit
28	Issued	200 units

SECTION E

Q. No. Answer any Two Question: (2 x 15 = 30) CO KL

18) The following figures have been obtained from the cost records of Rio manufacturing company for the year 2012: CO5 K5

Particulars	Rs
Cost of Materials	2,40,000
Wages of labor	2,00,000
Factory expenses	1,20,000
Distribution expenses	56,000
Administration expenses	1,34,400
Selling expenses	89,600
Profit	1,68,000

A work order has been executed in 2013 and the following expenses have been incurred: Cost of materials Rs 32,000 and wages for labor Rs 20,000. Assume that in 2013 the rate of factory expenses went up by 20% distribution charges went down by 10% and selling and administration charges went up by 12 ½%.At what price should the product or the job be quoted so as to earn the same (earlier) rate of profit on the selling price? Show the full working, Distribution, administration and selling charges are based on factory cost.

<table>
<tr><td>19)</td><td>The following is an extract of the record of receipts and issues of Sulphur in a chemical factory during June 2013:
<table>
<tr><th>Date</th><th>Particulars</th></tr>
<tr><td>2013, June 1</td><td>Opening balance 100 tons @ Rs 200</td></tr>
<tr><td>08</td><td>Issued:50 tons</td></tr>
<tr><td>14</td><td>Received from supplier 40 tons @ Rs 190</td></tr>
<tr><td>17</td><td>Issued:36 tons</td></tr>
<tr><td>21</td><td>Received from suppliers 48 tons @ Rs 180.</td></tr>
<tr><td>24</td><td>Issued:60 tons</td></tr>
<tr><td>25</td><td>Received to suppliers 10 tons out of goods received on 21st June</td></tr>
<tr><td>26</td><td>Received from supplier 64 tons @ Rs 190</td></tr>
<tr><td>29</td><td>Issued :40 tons</td></tr>
<tr><td>30</td><td>Returned from department 6 tons @ Rs 190</td></tr>
</table>
The Stock verifier of the factory had found shortage of 2 tons on 23rd June and left a note accordingly. You are required to prepare stores ledger account under FIFO Method.</td><td>CO5</td><td>K5</td></tr>
<tr><td>20)</td><td>Calculate the earnings of a worker under the following methods.
a. Time rate method
b. Piece rate Method
c. Halsey Plan
d. Rowan Plan
Information given:
Standard Time 30 hours
Time Taken 20 hours
Hourly rate of wages Rs.1 per hour plus a dearness allowance at 0.50 paise per hour worked.</td><td>CO5</td><td>K5</td></tr>
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