LOYOLA COLLEGE (AUTONOMOUS), CHENNAI - 600 034



B.B.A. DEGREE EXAMINATION - BUSINESS ADMINISTRATION

FIFTH SEMESTER - APRIL 2016

BU 5504/BU 5501 - COST ACCOUNTING

| Date: 03-05-2016 | Dept. No. | Max. : 100 Marks |
|-------------------|-----------|------------------|
| Time: 09:00-12:00 | l | |

 $PART - A \qquad (10 \times 2 = 20)$

ANSWER ALL QUESTIONS

- 1. List out components of Total cost?
- 2. Mention the main purposes of cost classification?
- 3. State the various stock levels?
- 4. Write notes on:
 - 1. Idle time and
 - 2. Over time
- 5. Find out the economic order quantity?

Annual demand 12,000 Units

Ordering cost Rs. 90 Per order

Inventory carrying cost per Annum – Rs.15 Per Unit

6. Calculate the total earnings under Halsey Plan?

Standard Time – 10 Hours

Time Taken - 8 Hours

Time Rate - Rs. 2.50 Per Hour

7. Works overhead of a department Rs. 4,00,000
Direct Wages Rs. 2,00,000
Direct Material Cost Rs. 10,00,000

Ascertain the Prime cost percentage rate of works overheads.

8. Ascertain machine hour rate of absorption of overheads from the following details:

Works Overheads Rs. 5,00,000 Machine Hours 100000 Hrs.

9. Compute the economic batch quantity for a company using batch costing with the following information.

Annual demand for the component 2,000 units setting up cost – Rs 100,

Carrying cost per unit of production – Rs 10/- per Anum

10. The following expenditure is incurred for producing articles called mini motors:

Materials (200 Units) Rs 4,000 Labour Rs 3,000 Indirect Expenses Rs 2,000

Normal wastage is 5 % of the input one unit of wastage is sold Rs. 16.50 each prepare

process account.

ANSWER ANY FOUR QUESTIONS

11. Elaborate the difference between cost accounting and financial accounting?

PART - B

- 12. Discuss the various procedure of job cost system?
- 13. The following data relating to a factory for the year 2009 are available:

Materials consumed Rs. 2,00,000 **Direct Wages** Rs. 1,50,000 **Factory Expenses** Rs. 90,000 Administrative Expenses Rs. 88,000

Based on the above data, find out the cost of a job to be done in January 2010.

Materials Required Rs. 20,000 15,000 Wages for the Job Rs.

What price will be quoted for the job, if a profit at 20% on selling price is required?

14. Two components M & N are used as follows:

Normal Usage 150 Units per week each Minimum Usage 100 Units per week each Maximum usage 200 Units per week each M – 900 Units N-1, 250 Units Re-order quantity

Re-order period M-4 to 6 weeks

N-2 to 4 weeks

Calculate different stock levels for M and N.

15. From the following details relating to the production department of a factory, you are required to calculate overhead absorption rates under different possible methods.

Rs. 1,20,000 Materials consumed Direct wages Rs. 50,000 **Machine Hours** Rs. 25,000 Labour Hours Worked Rs. 12,500 Factory overhead relating to the department Rs. 80,000

- During a week a worker produced 300 units working for 48 hours. The hourly rate is Rs. 4. 16. The estimated time to produce a unit is 10 minutes under incentive scheme 20% additional time is allowed. Calculate his gross earnings under Halsey and Rowan Plans.
- 17. The following was the expenses on contract for Rs. 12,00,000 commenced in Jan 1997.

Materials Rs. 2,40,000 Wages Rs. 3,28,000 Plant 40,000 Rs. Overhead 17,200 Rs.

Cash received on account of contract to 31/12/1997 was Rs. 4,80,000 being 80% of work certified. Value of materials in hand was Rs. 20,000 plant had under gone 20% depreciation. Prepare contract account.

ANSWER ANY TWO QUESTIONS

- 18. Explain in detail the various premium bonus system.
- 19. Prepare a cost sheet showing cost of production and profit from the following data:

| | Opening | Closing |
|-----------------------------------|----------|---------|
| | Rs.Rs. | |
| Stock of raw materials | 75,000 | 78,750 |
| Work in progress | 24,600 | 27,300 |
| Stock of finished goods | 52,080 | 47,250 |
| Purchases for the year | 65,700 | |
| Sales | 2,16,930 | |
| Direct wages | 51,450 | |
| Work expenses | 25,020 | |
| Selling and Distribution expenses | 12,630 | |
| Scrap Sold | 990 | |
| Office expenses | 20,610 | |

- 20. Prepare a statement showing how the issues would be priced under last in first out method.
 - 1 Feb 1998 Opening balance 100 Units @ Rs. 10 each
 - 1 Feb 1998 Received 200 units @ Rs. 10.50 each
 - 2 Feb 1998 Received 300 units @ Rs. 10.60 each
 - 4 Feb 1998 Issued 400 units to Job A
 - 6 Feb 1998 Issued 120 units to Job K
 - 7 Feb 1998 Received 400 units @ Rs 11 each
 - 10 Feb 1998 Issued 200 units to Job B
 - 12 Feb 1998 Received 400 units @ Rs 11.50 each
 - 17 Feb 1998 Issued 300 units to Job D.
- 21. On the basis of following information, calculate the earnings of A,B,C and D under merricks differential price rate system

Standard production per hour 12 units, normal rate per hour Rs. 6/-

In an 8 Hour day:

A produced 64 Units
B produced 96 Units
C produced 84 Units
D produced 100 Units.

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