

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.B.A.DEGREE EXAMINATION –BUSINESS ADMINISTRATION

FIFTH SEMESTER – APRIL 2018

BU 5507– COST ACCOUNTING

Date: 30-04-2018
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

Section-A

Answer ALL the questions

10 X 2=20

1. What is cost unit?
2. What is ABC analysis?
3. What do you mean by Labour Turn Over?
4. What is overhead?
5. Define EOQ.
6. Write a note on Apportionment.
7. What is notional profit?
8. Calculate Reorder Level from the following:

Annual consumption of materials=4000 units; Cost of buying per order=Rs.5; Cost per unit=Rs.2 per unit; Storage and carrying cost=8% on average inventory.

9. Calculate LTO under Replacement method:

Number of employees replaced during 2004-1000; Average number of employees during 2004-8000.

10. P Travels employs 5 buses which run over a route of 140 kms (one way), making one round trip per day. The buses run 30 days per year and 10% of them on average are laid out for repairs. Ascertain the total running kilometers per year.

Section-B

Answer any **FOUR** of the following:

4 x 10=40

11. Explain the nature of cost accounting.
12. Differentiate between Process Costing and job costing.
13. Write a note on a) Idle time b) Over-time c) Absorption
14. Two components A & B are used as follows:

Normal usage: 3000 units per week each

Minimum usage: 1500 units per week each

Maximum usage 4500 units per week each

Reorder quantity—A 13000 units; B 14000 units

Reorder period:--A 4 to 6 weeks; B 2 to 4 weeks

Calculate for each component: a) Reorder level b) Minimum level c) Maximum level d)

Average stock level

15. Calculate the earnings of a worker under Halsey and Rowan Plan

Standard Time—36 hours; Actual time—30 hours; Rate per hours—Rs.10

16. How much profit, if any, you would allow to be considered in the following case:

Rs.

Contract cost 560000

Contract value 1000000

Cash received 540000

Uncertified work 60000

Deduction made from bills by way of security deposit 10%

17. From the following particulars ascertain the amount of profit shown in profit and loss account by preparing necessary reconciliation account:

	Rs.
a) Profit shown as per cost books	1,40,000
b) Depreciation shown excess in cost books	2,000
c) Interest on investment received	1,000
d) Provision made for income tax	40,000
e) Income received for share transfer	150
f) Factory overhead under recovered in cost books	3,000
g) Office expenses under recorded in financial books	1,000

Section-C

Answer any TWO of the following:

2x20=40

18. Explain the various elements of cost.

19. Prepare cost sheet for the half year and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs.1250 and expenditure for I productive wages Rs.750, so that the price might yield a profit of 20% on the selling price from the following for six months ending 31st December 2012.

	Rs.
Materials used	1,50,000
Direct wages	1,20,000
Factory overheads	30,000
Administrative expenses	15,000

20. X company has purchased and issued materials as under:

2010

June 1	Stock of materials	200 units at Rs.2.50 per unit
3	Purchased	300 units at Rs.3 per unit
7	Purchased	500 units at Rs.4 per unit
10	Issued	600 units
12	Purchased	400 units at Rs.4 per unit
18	Issued	500 units
24	Purchased	400 units at Rs.5 per unit
28	Issued	200 units.

Prepare the stores ledger under FIFO method and LIFO method.

21. From the following data relating to two vehicles X and Y compute the cost per running km.

	X (Rs)	Y (Rs)
Cost of vehicle	25000	15000
Road licence (annual)	750	750
Insurance (annual)	700	400
Garage rent (annual)	600	500
Supervision and salaries (annual)	1200	1200
Driver wages per hour	3	3
Cost of petrol per litre	3	3
Repairs and maintenance per km	1.65	2.00
Tyre allocation per km	0.80	0.60
Estimated life of vehicle	100000	75000
Kilometers run (annual)	15000	6000
Kilometers run per litre	20	15

You are required to charge interest on the cost of vehicles at 5% per annum. The vehicles run 20 km per hour on an average.
