



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

THIRD SEMESTER – APRIL 2022

16UBU3MC01 – COST ACCOUNTING

Date: 18-06-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART – A

Q. No Answer ALL questions

(10 * 2 = 20 Marks)

- 1 State any two objectives of Cost accounting.
- 2 What is Opportunity cost?
- 3 What is Prime cost?
- 4 Calculate works cost: Factory expenses Rs 700, Office expenses Rs 300, Selling expenses Rs 900, Materials consumed Rs 3400.
- 5 Compute the Inventory Turnover ratio from the following information for Material X : Opening stock - Rs 25000, Closing stock - Rs 15000 & Purchases - Rs 190000
- 6 State any two methods of computing Labour turnover.
- 7 Identify the bases for the apportionment of expenses given below to the different departments:
Depreciation & Welfare expenses.
- 8 What is Machine Hour Rate?
- 9 Calculate the Contract price from the following information: Cash received – Rs 300000 representing 80% of work certified. Work certified is 60%
- 10 Define the term Notional profit.

PART – B

Answer any FOUR questions

(4 * 10 = 40 Marks)

- 11 Explain the essentials of a Good Costing system.
- 12 Enumerate the different methods of Costing.
- 13 From the following information, Prepare a Cost sheet:

Particulars	Rs
Direct Materials	180000
Selling & Distribution Overheads	35000
Office overheads	30000
Sales	400000
Direct Labour	50000
Direct Expenses	20000

Factory Overheads	45000
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14 From the following information, calculate Maximum stock level, Minimum stock level, Reorder level and Average stock level.

Particulars	Quantity/period
Maximum consumption	420 units per day
Minimum usage in a month	240 units per day
Normal consumption	300 units per day
Reorder Quantity	3600 units
Reorder period	10-15 days
Normal re-order period	12 days

15 From the following particulars, Prepare a statement of Labour cost per day of 8 hours.

Particulars
(a) Monthly Salary – Rs 9000
(b) Leave Salary – 5% of (a)
(c) Employers contribution to PF – 8% of (a) and (b)
(d) Employers contribution to ESI – 4% of (a) and (b)
(e) Pro rata amenities – Rs 1000 per head per month
(f) Number of working hrs in a month (25 days) - 8 hrs each

16 Compute Machine hour rate from the following information given below:

Particulars	
Cost of Machine 'C'	Rs 13500
Life of the Machine	10 years
Estimates scrap value (after 10 years)	Rs 1980
Working hours	1800
Insurance (per annum)	Rs 45
Cotton wastes (per annum)	Rs 75
Rent for department (per annum)	Rs 975
Foreman's salary (per annum)	Rs 7500
Lighting for department (per annum)	Rs 360
Repairs for entire life	Rs 1440

Power: 10 units @7.5 paise per units.

Machine 'C' occupies 1/5 of the area and foreman devotes 1/4 th of his time to the machine.

The machine has two light points out of the total 12 for lighting in the department.

17 Explain the differences between Job Costing and Contract Costing

PART – C

Answer any TWO questions

(2 * 20 = 40 Marks)

- 18 Briefly explain the different ways of ‘Classifying Cost’.
- 19 From the following information prepare the stores ledger account showing the pricing of materials issue by adopting the FIFO method and ascertain the value of the closing stock.

2019 July Dates	Particulars
1	Opening stock 1200 units @ Rs 20 each
2	Purchased 600 units @ Rs 19.50 each
5	Issued 800 units
12	Purchased 1300 units @ Rs 19 each
15	Issued 1250 units
20	Purchased 1000 units @ Rs 20 each
29	Issued 1700 units
30	Purchased 1000 units @ Rs 22 each
31	Issued 750 units

- 20 The following particulars relate to a manufacturing company which has three production departments A, B & C and two service departments X and Y.

Departments	A	B	C	X	Y
Total Overheads as per					
Primary distribution (Rs)	16000	13000	14000	4000	6000

The company decided to charge the service department cost on the basis of the following percentages.

Expenses	Production Department			Service Department	
	A	B	C	X	Y
X	20%	25%	35%	--	20%
Y	25%	25%	40%	10%	--

Prepare a statement of Secondary distribution under Repeated distribution method.

- 21 (a) Examine the features and advantages of Job costing.
 (b) Write the proforma of Contract account.
