



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

FIFTH SEMESTER – NOVEMBER 2014

BU 5507 - COST ACCOUNTING

Date : 01/11/2014

Dept. No.

Max. : 100 Marks

Time : 09:00-12:00

PART –A

Answer ALL the Questions:

(10x2=20 Marks)

1. What is Cost Accounting?
2. Write a short note on “Labour Turnover”.
3. Define “Overhead”
4. What are the “elements of cost”?
5. Explain the meaning of surveyor’s certificate.”
6. Find out the Re-order level from the following:
Maximum consumption of material 300 units, Minimum reorder period 2 weeks; Maximum reorder period 4 weeks.
7. Calculate the wages of a worker under halsey premium plan Hourly rate Rs 2, Standard time 16 hours, time taken 12 Hours.
8. A factory has several departments. The following details are relating to department ‘Y’ for the month of April 2000. Direct wages for April 2000:Rs. 50000 Factory overheads allocated and apportioned to the department Rs. 20000 calculate the overhead absorption rate based on direct wages for the month.
9. Ascertain the value of Raw materials purchased.

	Rs.
Materials Consumed	5, 00,000
Opening Stock of materials	50,000
Closing Stock of Materials	25,000
10. Compute the profit of job No:602
Cost of Sales Rs.9,000
Profit 10% of Sales

PART-B

Answer Any FOUR Questions:

(4 10 =40 Marks)

11. What are essentials of a good cost accounting System?
12. The Following Information Pertaining to a firm is available.

Annual Consumption Rs 1200 units (360 days)
 Cost per unit Re.1
 Cost per order Rs.12
 Inventory Carrying cost 20%p.a
 lead time (maximum, normal & minimum) 30-15-5 (days)
 Daily consumption (maximum, Normal & Minimum) 45-33-15 (Units)
 Calculate inventory levels.

13. Explain the different methods of Labour Remuneration.

14. From the data given below, compute machine hour rate

Cost of the Machine	Rs.90000
Installation Charges	Rs.10,000
Estimated Scrap value	Nil
Estimated repair Charges per year	Rs.1000
Estimate working life of the machine	10,000 hours
Standing charges allocated to the machine per year	Rs. 6000
Estimated working hours per year	2000hours

Power consumption of the machine is 20 units per hours and the rate of power per 100 units is Rs.10

15. From the following data prepare a statement of cost and profit per unit.

Raw materials used Rs.40000
 Direct wages Rs.24000
 Machine hours worked 9500 hour
 Machine hours rate Rs.4per hour
 Office over heads 20% on works lost
 Selling over heads Re. 1 per unit
 Units produced 20,000 units
 Units sold 18,000 @ Rs. 10 per unit

16. Meen Bros undertook a building construction contract. The contract was commenced on 01.01.2001 and completed on 30.06.2001. He incurred the following expenses.

	Rs.
Materials Consumed	16,750
Materials in hand on 30.06.2001	4,750

Wages	14,250
Direct expenses	72,600
Plant purchased	36,000

Provide depreciation @ 10% p.a on plant. Indirect expenses amount to 20% on wages.

Prepare contract A/c and Contractor's A/C in the books of contractor.

17. During a week a worker produced 300 units working for 48 hours. The hourly rate is Rs. 4. The estimated time to produce a unit 10 minutes. Under incentive scheme, 20% additional time is allowed. Calculate his gross earning under Halsey and Rowan plans.

PART – C

Answer Any TWO Questions:

(2x20 =40 Marks)

18. Prepare a stores ledger account using weighted average method of pricing the issue of materials.

1 Balance 1000 units @ Rs. 70 Per unit

3 Purchased 2000 units @ Rs. 80 Per unit

5 issued 500 units

10 Issued 1000 units

15 purchased 2000 units at Rs. 80 per unit

18 Issued 400 units

20 Received back 25 units out of the issue made on 5th march.

22 Issued 1500 units

24 Returned to supplier 30 units out of the purchases made on 15th march.

25. Purchased 1000 units at Rs. 75 per unit.

30. Issued 1000 units

Physical Verification on 21st march revealed a shortage of 15 units and 20 unit shortage on 30th march.

19. In a factory, there are two service dept I and II and three production dept A,B and C, In April 1992 the dept expenses were.

<u>Dept</u>	A	B	C	I	II
	Rs.	Rs.	Rs.	Rs.	Rs.
	6,50,000	6,00,000	5,00,000	1,20,000	1,00,000

The expenses of the service departments are allotted on a percentage basis as follows.

	A	B	C	I	II
I	30	40	15	-	15
II	40	30	25	5	-

Prepare a statement showing distribution of the expenses of the two services dept on a percentage basis by repeated distribution method.

20. The following is the profit and loss A/C of 'A' & Co for 1999

Particulars	Rs	Particulars	Rs.
To Materials	90,000	By Sales	2,10,000
To Wages	80,000	By Closing Stock Finished Goods	35,000
To Factory Expenses	45,000	<u>WIP:</u>	
To Office Expenses	10,000	Materials	5,000
To Net Profit	30,000	Wages	4,000
		Factory Expenses	1,000
		=	10,000
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	2,55,000		2,55,000
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During the Year, 10,000 units were produced and 8000 units were Sold.

Factory expenses in costing absorbed at 80% of wages, office expenses at Rs. 3 per unit prepare a statement showing profit as per cost records and reconcile it with financial profit.

21. A by – Product Y is derived from the Manufacture of the main product X,Y. The by product is further processed for sale From the following data prepare an account showing the cost per kilogram of products XY and Y.

	Joint expenses	Separate expenses	
		XY	Y
Materials	20,000	12,000	1,000
Labour	14,000	10,000	4,000
Over heads	5,000	3,000	1,200

The quantities produced during the period under consideration were XY 400 kg and Y 100 kg. The Selling price of Y is Rs. 240 kgs on which the profit earned is estimated at 30% of the selling price.

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