



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION - BUSINESS ADMINISTRATION

FIFTH SEMESTER – NOVEMBER 2015

BU 5507 - COST ACCOUNTING

Date : 05/11/2015

Dept. No.

Max. : 100 Marks

Time : 09:00-12:00

PART-A

Answer the following questions:

[10 x 2 =20marks]

1. State the objectives of cost accounting.
2. What is historical costing?
3. What is a cost sheet?
4. Write a note on *Tenders*.
5. Write a note on ABC analysis.
6. Write a note on 'Idle Time'.
7. What do you mean by 'Machine hour rate'?
8. Calculate machine hour rate for the following:
Running hours p.a 2,000 hrs
Repairs p.a Rs.160
Rent p.a Rs.320
Cost of Machinery Rs.4000
Depreciation 7 ½ % p.a
9. Calculate the economic order quantity from the following particulars.
Annual usage 20,000 Units
Buying cost per order Rs.10
Cost per unit Rs.100
Cost of carrying inventory 10% of cost
10. Calculate the earnings of a worker under Halsey Plan from the following data:
Time allowed 40 hours
Time Taken 30 hours
Rate Rs.3 per hour

PART-B

Answer any FOUR questions

[4 X 10 = 40 marks]

11. Distinguish between financial accounting and cost accounting.
12. Compute cost per running kilometer from the following data of a truck.
Estimated life of vehicle 1,00,000 kms
Annual running 15000 kms.

	Rs.
Cost of vehicle	25,000.00
Road license (Annual)	750.00
Insurance (Annual)	700.00
Garage rent (Annual)	900.00
Supervision & Salaries (Annual)	2,700.00
Drivers wages per hour	3.00
Cost of fuel per litre	3.00

Repair & Maintenance per k.m. 1.75
Tyre allocation per k.m 0.90

Charge interest at 5% p.a on cost of vehicles. The vehicle run 20 kms per hour on an average and one litre of fuel gives 20 kms.

13. Samson & co., produces a product through two processes R & S. The following details pertaining to process R for January 2007 are available.

Inputs;	Rs.
Materials (500 Units)	10,000
Labour	8,000
Indirect Expenses	7,000

Normal loss in process is estimated at 5% of the input which possesses a scrap value of Rs. 31 per unit. Prepare the process account.

14. How much profit you would allow to be considered in the following case:

Contract Cost	11, 20,000
Contract value	20, 00,000
Cash received	10, 80,000
Uncertified work	1, 20,000

Deduction from bills by way of security deposit is 10%

15. What is "Reconciliation"? What is the need for reconciliation costing profit and financial profit?
16. Calculate Machine Hour Rate from the following:

- Cost of machine Rs.19,200
- Estimated scrap value Rs.1,200
- Repair charges per month Rs.150
- Standing charges allocation to machine per month Rs.50
- Effective working life of machine 10,000 hrs
- Running time per month 166hrs
- Power used by machine=5 units per hour at 19 paise per unit.

17. What is Labour Turnover? How it is measured?

PART - C

Answer any TWO questions

[2x20=40 marks]

18. The accounts of a machine manufacturing company disclose the following information for six months ending 31st December 1982.

Material used	1, 50,000
Direct wages	1, 20,000
Factory overheads	30,000
Administration expenses	15,000

Prepare cost sheet for the half year and calculate the price which the company should quote for the manufacture of a machine required materials valued at Rs.1,250 and expenditure in productive wages Rs.750, so that the price might yield a profit of 20% on the selling price

19. The following information is extracted from the store ledger:

Jan.

- Opening Balance 500 units at Rs.4
- Purchases 200 units at Rs.4.25
- Purchases 150 units at Rs.4.10

20. Purchases 300 units at Rs.4.50
 25. Purchases 400 units at Rs.4

Issues of Materials were as follows:

Jan.

4. 200 Units
 10. 400 units
 15. 100 units
 19. 100 units
 26. 200 units
 30. 250 units

Issues are being priced on the principle of 'FIFO' method. Write the store ledger account.

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

	Department				
	A	B	C	X	Y
	Rs	Rs	Rs	Rs	Rs
Total department overheads as per primary destination	6,300	7,300	2,800	4,500	2,000

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

	Production Dept			Service dept	
	A	B	C	x	Y
X	40%	30%	20%	-	10%
Y	30%	30%	20%	20 %	-

Find the total overhead of production departments on the Repeated Distribution method.

21. Discuss the advantages, limitations and important aspects of Process Costing.

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