



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

FIFTH SEMESTER – NOVEMBER 2017

BU 5507 – COST ACCOUNTING

Date: 03-11-2017

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

Section A (10 X 2 =20 marks)

Answer all the Questions.

1. What are the elements of cost?
2. Write a note cost sheet.
3. What is Inter- process profit?
4. What is Labour Turnover?
5. What are the types of functional overheads?
6. What is 'Transport costing'?
7. What is scrap?
8. There were 8000 workers in a factory on 1.1.2015. Number of workers in the factory on 31.12.2015 were 8200 . New entrants in service during the year were 400 and leavers were 200. Calculate the labour turnover by applying separation method.
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 Rowan Plan from the following data:

Standard time	10 hours
Time Taken	6 hours
Rate	Rs.2 per hour

Section B (4X10 =40 marks)

Answer any FOUR Questions.

11. Discuss the objectives of cost accounting.
12. Discuss the methods of measurement of Labour Turnover.
13. Discuss the advantages of Process Costing.
14. Calculate Machine Hour Rate from the following:
 - a. Cost of machine Rs.19,200
 - b. Estimated scrap value Rs.1,200
 - c. Repair charges per month Rs.150

- d. Standing charges allocation to machine per month Rs.50
- e. Effective working life of machine 10,000 hrs
- f. Running time per month 166hrs
- g. Power used by machine=5 units per hour at 19 paise per unit.

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

Inputs	Rs.
Materials (500Units)	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.

16. The following is the information relating to contract No. X123.

Particulars;	Rs.
Contract price	6,00,000
Wages	1,64,000
General expenses	8,600
Raw materials	1,20,000
Plant	20,000

As on date, cash received was Rs.2,40,000 being 80% of work certified. The value of material remaining at site was Rs.10,000. Depreciation plant by 10%. Prepare contract Account showing profit to be credited to P&L A/c.

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

Jan.

- 1. Opening Balance 500 units at Rs.4
- 5. Purchases 200 units at Rs.4.25
- 12. 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

Section C (2X20 =40 marks)
Answer any TWO Questions.

18. Distinguish between financial accounting and cost accounting.
19. On August 15, 1991 a manufacturer soman desired to quote for a contract for the supply of 500 radio sets. From the following details prepare a statement showing the price to be quoted to give the same percentage of net profit on turnover as was realised during 6 months ending on 30 June 1991 :

Material as on 1/1/1991	20,000
Material as on 30/6/1991	25,000
Purchase of material during 6 months	1,50,000
Factory wages during 6 months	1,20,000
Indirect charges during 6 months	25,000
Opening stock of completed sets	Nil
Closing stock of completed sets	100
Sales during 6 months	3,24,000

The number of radio sets manufactured during these six months was 1450 sets including those sold and those stocked at the end of the period. The radios to be quoted are of uniform quality and size as were manufactured during six months to 30/6/1991. As from August 1, the cost of factory labour has gone up by 10%.

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 destitution	16,000	13,000	14,000	4,000	6,000

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

	Production Dept			Service dept	
	A	B	C	x	Y
X	20%	25%	35%	-	20%
Y	25%	25%	40%	10 %	-

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

21. The net profit as per cost records of Aishwarya Ltd., was Rs.86200. From the following data, Prepare a reconciliation statement showing profit as per financial accounts:

	Rs.	
Works overhead under-recovered in costing		1560
Administrative over recovered in costing		850
Depreciation charged in financial accounts		5600
Depreciation recovered in costing		6250
Interest on investment not included in costing		4000
Loss due to obsolescence charged in financial accounts		2850
Income tax		20150
Bank interest and transfer fee in financial accounts		375
Stores adjustment Credited in financial accounts		237
Interest charged in financial accounts		2000
Goodwill written off		5000
Loss on sale of furniture		600
	Cost A/c.	Financial A/c.
Value of opening stock	Rs.24800	Rs.26300
Value of closing stock	Rs.25000	Rs.23000.
