LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION –BUSINESS ADMINISTRATION

FIFTH SEMESTER – APRIL 2019

BU 5507– COST ACCOUNTING

Date: 23-04-2019   Dept. No.   Max. : 100 Marks
Time: 09:00-12:00

Part – A

Answer all Questions: **(10 x 2 = 20 Marks)**

1. Define costing.

2. What is sunk cost?

3. What is VED Analysis ?

4. What do you mean by Labour turnover ?

5. What do you mean by By-Product ?

6. Calculate machine hour rate from the following.

   Cost of machine Rs.19,200

   Estimated scrap value Rs.1,200

   Effective working life of machine 10,000 hours

   Power used by machine 5 units per hour @ Re.0.19 per unit.

7. From the following information, calculate kilometers and total passenger kilometers

Number of buses	4
Days operated in a month	30
Trips made by each bus	4
Distance of route	30 km (one way)
Capacity of bus	60 passengers
Normal passengers travelling	80% of the capacity

8. Calculate the wages due to a worker from the following data :

   Normal hours in a week – 44

   Actual hour worked – 50

   Rate per hour - Rs.1.25

   Overtime 200% of normal rate.

9. From the following particulars, calculate the EOQ

   Annual requirements 10,800kgs.

   Cost of purchasing and receiving one order Rs.1,000

   Annual carrying cost Rs.20

10. Calculate the total earnings of worker under Halsey plan:

    Standard time - 30hours

    Time taken – 20 hours

    Hourly rate of wages is re.1 per hour plus dearness allowance @ 50 paise per hour worked.

Part – B

Answer any Four Questions (4x10=40 Marks)

11. Write the difference between cost accounts and management Accounts

12. What are the merits and demerits of job costing?

13. Compute cost per running kilometer from the following data of a truck.

    Estimated life of Vehicle 1,00,000kms.

    Annual running 15,000 kms.

	Rs.
Cost of vehicle	25,000
Road licence (Annual)	750
Insurance (Annual)	700
Garage rent (Annual)	900
Supervision & salaries (annual)	2,700
Drivers' wages per hour	3
Cost of fuel per liter	3
Repairs and maintenance per k.m.	1.75
Tyre allocation per k.m	0.90

    Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20 kms. per hour on an average and one liter of fuel give 20 km.

14. M/S Indu Industries Ltd., are the manufacturers of moonlight Torches. The following data relate to manufacture of torches during the month of march 2009.

Raw material consumed	Rs. 2,00,000
Direct wages	Rs. 12,000
Machine hours worked	9,500 hours
Machine hour rate	Rs.2
Office overheads	20 % of work cost
Selling overheads	50 paise per unit
Units produced	20,000 units
Units sold	18,000 units @ Rs.5 per unit

    Prepare cost sheet showing the cost and the profit per unit and the total profit earned.

15. Material A is used as follows:

Maximum usage in a month	600 units
Minimum usage in a month	400 units
Average usage in a month	450 units

    Lead time : maximum 6 month, minimum 2 months

    Reorder Quantity; 1,500 units

    Maximum reorder period for emergency purchases – 1 month

Calculate

(a) Reorder level

(b) Maximum level

(c) Minimum level

(d) Average stock level

(e) Danger level

16. Work out the composite machine hour rate for the following machine whose scrap value is 'nill'

(i)   Cost of machine Rs. 3,60,000

(ii)   Freight and installation Rs.40,000

(iii)   Working life 20 years

(iv)   Working hours 8,000 per year

(v)   Repair chares : 50% of depreciation

(vi)   Power 10 units per hour @ 10 paise per unit

(vii) Lubricating oil @ Rs. 2 per day of 8 hours

(viii) Consumable stores @ Rs.10 per day of 8 hours

(ix)   Wages of operator @ Rs.4 per day.

17. Enumerate the salient features of a good wage incentive system.

Part – C

Answer any Two Questions   (2x20=40 Marks)

18. What are the essential requirements of good costing system?

19. Draw a stores ledger card recording the following transactions under FIFO and LIFO

2010 July   1st opening stock 2,000 units at Rs.10 each

5th Received 1,000 units at Rs.11 each.

6th Issued 500 untis

10th Received 5,000 units at Rs.12 each

12th received back 50 units out of the issue made on 6th July

14th Issued 600 units

18th Returned to supplier 100 units out of goods received on 5thjuly

19th Received back 100 units out of the issue made on 14th July

20th Issued 150 units

25th Received 500 units at Rs.14 each

28th Issued 300 units

The stock Verification report reveals that there was a shortage of 10 units on 18th July and another shortage of 15 units on 26th July.

20. In a Light Engineering factory has Three production department A,B and C and two service department D and E. The following particulars have been collected for the 3 months period ending 31st December 2009. Compute the departmental overheads rates for eachof the production departments, assuming that overheads are recovered as a percentage of direct wages:

Particulars	Production Department			Service Department	
	A	B	C	D	E
Direct wages Rs.	2,000	3,000	4,000	1,000	2,000
Direct material Rs.	1,000	2,000	2,000	1,500	1,500
Staff (Nos)	100	150	150	50	50
Electricity (kwh)	4,000	3,000	2,000	1,000	1,000
Light Points (nos)	10	16	4	6	4
Asset Value (Rs.)	60,000	40,000	30,000	10,000	10,000
Area occupied (Sq.m)	150	250	50	50	50

The expenses for the period were:

Motive power Rs.550; lighting power Rs.100; stores overheads Rs.400; Amenities to staff Rs.1,500; Depreciation Rs.15,000; Repairs and maintenance Rs.3,000; General overheads Rs.6,000 and Rent and taxes Rs.275. Apportion the expenses of service department E proportionate to direct wages and that of service department D in the ratio of 5:3:2 to the departments A,B and C respectively.

21. The product of a company passes through two processes to completion known as A and B. From past experience it is ascertained that loss is incurred in each process as:

Process A-2 % process B – 5%

In each case the percentage of loss is computed on the number of units entering the process concerned.

The loss of each process possesses a scrap value. The loss of processes A and B is sold at Rs. 5 per 100 units.

The output of each process passes immediately to the next process and the finished units are passed into stock.

Particulars	process A	process B
	Rs.	Rs.
Materials consumes	6,000	4,000
Direct labour	8,000	6,000
Manufacturing expenses	1,000	1,,000

20000 units have been issued to process A at a cost of Rs.10000. the output of each process has been as under.

Process A 19,500 units and process B 18,800

Prepare process Accounts.

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