LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – **BUSINESS ADMINISTRATION**

THIRD SEMESTER – **APRIL 2025**

UBU 3501 – COST ACCOUNTING

Date: 25-04-2025 Dept. No. Max. : 100 Marks
Time: 01:00 PM - 04:00 PM

	SECTION A - K1 (CO1)
	Answer ALL the Questions **(10 x 1 = 10)**
1.	**Fill in the blanks**
a)	The objective of determining the ___________ of products is of main importance in cost accounting
b)	ABC analysis is a technique of ___________
c)	_______________refers to the payment of bonus to employees based on profits of the company
d)	Boiler House is the example of ___________ cost center
e)	The cost of ___________ loss in borne by good units
2.	**Answer the following**
a)	Pre-determined Cost
b)	VED
c)	Time Booking
d)	Overhead
e)	Job Costing
	SECTION A - K2 (CO1)
	Answer ALL the Questions **(10 x 1 = 10)**
3.	**Match the following**
a)	Research Cost -Losses control method
b)	Job Card - Process Loss
c)	Manufacturing overheads - New application Materials
d)	Min-Max Method -Each operation
e)	Normal Loss - Plant & Machinery
4.	**True or False**
a)	Office Rent is an example of semi-variable cost.
b)	FIFO method of pricing materials issues results in higher profits.
c)	Wage Sheet is prepared by personnel department.
d)	Cost of packing is always production overhead.
e)	Job costing system is applicable to ship building industry.
	SECTION B - K3 (CO2)
Answer any TWO of the following in 100 words each.	**(2 x 10 = 20)**
5.	Discuss the scope of cost accounting.
6.	Two components X and Y are used as follows: Normal Usage 600 units per week each Maximum Usage 900 units per week each Minimum Usage 300 units per week each Reorder Quantity: X – 4,800 Units Y – 7,200 Units Reorder Period: X – 4 to 6 weeks Y – 2 to 4 weeks

	Calculate for each component: a. Reorder Level b. Minimum Level c. Maximum Level e. Average stock Level
7.	Compute the Machine Hour Rate from the following Particulars:-

Cost of Machine	Rs.22000
Scrap value	Rs.1360
Repairs for the effective working life.	Rs.3000
Standing charges for 4 Weekly period	Rs. 80
Effective Working Life	20000 hours
Power used: 6 units per hour @ 5paise per unit	
Hours worked in 4 weekly period:	240 hours

8.	Job ledger of Stephen Engineering shows the following details regarding an order for grills. Materials used: Rs.60000; Wages booked for 40 hours @ Rs.150 per hour. Variable Overheads are at labour hour rate of Rs.30 per hour. Fixed Overheads are apportioned @ Rs.4800 for the job. If the customer is charged Rs.90,000 for the order, find out the profit and its percentage on cost.

SECTION C – K4 (CO3)

Answer any TWO of the following in 100 words each. (2 x 10 = 20)

9.	Discuss the various classification of cost.
10.	Standard time allotted for a job is 20 hrs and the rate per hour is Rs.20 plus a DA of Rs.5 per hour worked. The actual time by a worker is 15 hours. Calculate the total earnings and hourly earning under:- (a) Time wage system (b) Piece wage system (c) Halsey plan (d) Rowan plan.
11.	The following details are furnished by a manufacturer of a product. Direct Materials - Rs. 37500, Direct wages - Rs.15000, Machine hours -10000, Labour hours - 25000 and work overhead - Rs.7500. Calculate the different overhead absorption rates.
12.	The following data are from the costing records of Samarth Industries Ltd., in respect of Job No.76: Materials Consumed Rs.6,000 Wages : Cutting Department 20 hours at Rs.50 per hour Shearing Department 10 hours at Rs.40 per hour Boring Department 5 hours at Rs.60 per hour Variables overheads for the respective departments are estimated as follows Cutting Department Rs.40,000 for 2,000 Direct Labour hours Shearing Department Rs.20,000 for 2,500 Direct Labour hours Boring Department Rs.10,000 for 400 Direct Labour hours Fixed overheads are estimated at Rs.1,00,000 for 20,000 normal working hours. You are required to ascertain the cost of job No.76 and calculate the price to be charged so as to give a profit of 20% on cost.

SECTION D – K5 (CO4)

Answer any ONE of the following in 250 words (1 x 20 = 20)

13.	Elaborate the reasons for difference in profit between financial accounts and cost accounts.
14.	From the following particulars in respect of a certain material during 2023, you are required to draw up the stores ledger account under weighted average method:

2023 April 1	Stock in hand	400 units @ Rs.5
4	Purchased	800 units @ Rs.6
7	Issued	600 units
12	Purchased	200 units @ Rs.7

16	Returned to stores	100 units (Issued out of opening stock)
20	Purchased	400 units @ Rs.8
25	Issued	800 units
28	Returned to vendors 100 units out of purchases made on 20th April	

A shortage of 100 units was noticed and recorded on 26th April.

SECTION E – K6 (CO5)

Answer any ONE of the following in 250 words **(1 x 20 = 20)**

15. Krishna producing concern is divided into four departments. 'A,B,C are production departments and 'D' is a service department. The actual expenses for a period are as follows:

Rent	10,000
Repairs to plant	6,000
Depreciation to plant	4,500
Lighting expenses	1,000
Supervisory Expenses	15,000
Fire Insurance (on stock)	5,000
Power	9,000
Employer's liability for insurance	1,500

The following information is available in respect of the four departments.

Particulars	Departments			
	A	B	C	D
Area (S.q feet)	1,500	1,100	900	500
Number of Lights	75	11	9	5
Number of Employees	200	150	100	50
Total Wages (Rs)	60,000	40,000	30,000	20,000
Value of plant (Rs)	2,40,000	1,80,000	1,20,000	60,000
Value of Stock (Rs)	1,50,000	90,000	60,000	----

Apportion the costs to the various departments on the most equitable method.

16. The following details are extracted from the costing records of an oil mill for the year ended 31st march 2011. Prepare relevant process accounts.

Purchase of 5,400 tons of coconut - Rs.2,20,000
Cost of casks - Rs.8,250
3,200 tons of crude oil was produced. 2,600 tons of oil was produced by the refining process and 2,550 tons of refined oil was finished for delivery.

Particulars	Rs
Coconut sacks sold	440
1,925 tons of coconut residue sold	12,100
Loss in weight in crushing	275 tons
500 tons of by-products obtained from refining process	Rs.7,425

	Crushing Rs	Refining Rs	Finishing Rs
Cost of labour	2,750	1,100	1,650
Electric power	660	396	264
Sundry material	110	2,200	---
Repairs to machinery	308	363	154
Steam	660	495	495
Factory expenses	1,452	726	242

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