

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.B.A.DEGREE EXAMINATION – BUSINESS ADMINISTRATION

THIRD SEMESTER – NOVEMBER 2018

16/17UBU3MC01– COST ACCOUNTING

Date: 23-10-2018

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

PART – A

Answer ALL questions:

(10*2=20)

1. What is Cost Accounting?
2. List out the any four methods of cost accounting.
3. What is Prime cost?
4. Calculate the raw material consumed from the following details:

Rs.

Raw materials purchased	80,000
Sale of material scrap	1,000
Opening stock of raw materials	12,000
Closing stock of raw materials	21,000

5. Find out the economic order quantity(EOQ) from the following particulars:

Annual usage : 6000 units
Cost of material per unit : Rs.20
Cost of placing and receiving one order : Rs.60
Annual carrying cost of one unit : 10% of inventory value.

6. From the following data, calculate the labour turnover rate by applying:

- a) Separation method
- b) Replacement method

No of workers at the beginning of the month: 900

No of workers at the beginning of the month: 1,100

During the month 10 workers left, 40 workers were discharged and 150 workers were recruited. Of these, 25 workers were recruited in the vacancies of those leaving, while the rest were engaged for an expansion scheme.

7. What are the bases for apportionment of expenses given below to the different departments?

- (a) Depreciation of machinery
- (b) Canteen expenses
- (c) Labour welfare expenses
- (d) Rent of Building

8. What is meant by Overheads?

9. Define Job costing.

10. Find the cost of job no.201:

Materials consumed : Rs. 40,000

Wages : Rs. 20,000

Factory overhead 20% of wages.

PART – B

Answer any **FOUR** questions:

(4*10=40)

11. What are the advantages of Cost Accounting System?

12. What are the Requisites of a good costing system?

13. What are the Essentials of a good wage payment system?

14. You are required to compile a statement showing cost and profit from the information given, showing clearly: (a) Materials consumed (b) Prime cost (c) Works cost (d) Cost of production (e) Cost of sales (f) Profit and (g) Sales.

Rs.

Materials purchased	2,00,000
Wages	1,00,000
Direct expenses	20,000
Opening stock of materials	40,000
Closing stock of materials	60,000

Factory overhead is absorbed at 20% on wages. Administration overhead is 25% on the works cost. Selling and distribution overheads are 20% on the cost of production. Profit is 20% on sales.

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 months, minimum 2 months.

Reorder Quantity: 1500 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. From the following particulars compute the machine hour rate

Cost of the machine	Rs.11,000
Scrap value	Rs.680
Repairs for the effective working life	Rs.1,500
Standing charges for 4 weekly period	Rs. 40
Effective working life 10,000 hours	
Power used: 6 units per hour at 5 paise per unit	
Hours worked in 4 weekly period: 120 hours.	

17. The following are the expenses of Balaji & Co., in respect of a contract which commenced on 1st Jan 2016:

Rs.

Materials purchased	50,000
Materials on hand	2,500
Direct wages	75,000
Plant issued	25,000
Direct expenses	40,000

The contract price was Rs. 7,50,000 and the same was duly received when the contract was completed in August 2016. Charge indirect expense at 15% on wages; provide Rs.5,000 for depreciation on plant and prepare the Contract Account and the Contractee's Account.

PART – C

Answer any TWO questions:

(2*20=40)

18. Discuss the objectives of cost accounting.

19. From the following information prepare a cost sheet for the month of December 2015:

Stock on hand – 01.12.2015	
Raw materials	25,000
Finished goods	17,300
Stock on hand – 31.12.2015	
Raw materials	26,200
Finished goods	15,700
Purchase of raw materials	21,900
Carriage on purchases	1,100
Work in progress 01.12.2015 at works cost	8,200
Work in progress 31.12.2015 at works cost	9,100
Sale of finished goods	72,300
Direct wages	17,200
Non productive wages	800
Direct expenses	1,200
Factory overheads	8,300
Administrative overheads	3,200
Selling and distribution overheads	4,200

20. Prepare a stores ledger account under FIFO method and Weighted Average method of pricing the issue of materials.

2016

March 1 Balance 1,000 units @ Rs.70 per unit.

3 Purchased 2,000 units @ Rs.80 per unit.

5 Issued 500 units.

10 Issued, 1000 units.

15 Purchased 2,000 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 1,500 units

24 Returned to supplier 30 units, out of the purchases made on 15thMarch.

25 Purchased 1,000 units at Rs.75 per unit.

30 Issued 1,000 units.

Physical verification on 21st March revealed a shortage of 15 units and 20 units shortage on 30th March.

21. A manufacturing concern has three production departments and two service departments. In July 2008, the department expenses were as follows:

Production departments	Rs.
A	16,000
B	13,000
C	14,000
Service departments	
X	4,000
Y	6,000

The service department expenses are charged out on a percentage basis:

A	B	C	X	Y		
Expenses of dept. x			20%	25%	35%	20%
Expenses of dept. y			25%	25%	40%	10%

Prepare a statement of secondary distribution under repeated distribution method.
