LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

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

THIRD SEMESTER – **NOVEMBER 2023**

UBU 3501 – COST ACCOUNTING

Date: 31-10-2023 Dept. No. Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART – A

Q. No	Answer ALL Questions: (10x 2 = 20 Marks)
1	State any two objectives of Cost Accounting.
2	Ascertain the Profit for 2021: Cost of sales – Rs 300000 & Profit at 20% of Sales.
3	Calculate the Costing profit based on the following details:

Particulars	Amount Rs
Financial Profit	120000
Under Absorption of Factory overheads	3000
Over Absorption of Office overheads	8000

Q. No	
4	Write a note on Bin Card system.
5	What is Standard price method?
6	Identify any 2 methods of charging Normal Idle time to production.
7	Write down the formula for calculating Labour turnover under flux method.
8	Identify the bases for the apportionment of the following expenses: Factory Lighting & Welfare expenses.
9	Identify any two objectives of Job costing.
10	You are required to prepare Process 'A' account from the following information: Raw materials – Rs 20000, Wages – Rs 10000, Direct expenses – Rs 5000. Overheads to be taken at 100% of wages.

PART – B

Answer any FOUR Questions: **(4 x 10 = 40 Marks)**

Q. No	
11	Examine the requisites of a good Costing system.
12	Prepare a Reconciliation statement from the following data:

Particulars	Amount (Rs)
Net profits as per financial books	63780
Net profits as per costing books	66760
Factory overhead under recovered in costing	5700
Administration overhead recovered in excess	4250
Depreciation charged in financial books	3660

Depreciation recovered in costing	3950
Interest received but not included in costing	450
Income tax provided in financial books	600
Bank Interest credited in financial books	230
Stores Adjustment (Credited in Financial books)	420
Depreciation of stock charged in financial books	860
Dividends appropriated in financial books	1200
Loss due to theft & pilferage provided only in financial books	260

13 Material 'B' is used as follows :

Particulars	**Quantity/period**
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
Lead time	Minimum 2 months
Reorder Quantity	1500 units
Maximum reorder period for emergency purchases	1 month

Calculate Reorder level, Maximum stock level, Minimum stock level, Average Stock level, Danger level.

14 Elaborate the different variations of Piece rate system.

15 Discuss the causes and effects of Labour Turnover.

16 Calculate Overhead absorption rates under Direct Materials percentage rate, Direct Wages percentage rate, Prime cost percentage rate, Labour hour rate and Machine hour rate from the following details pertain to the production department of a factory :

Particulars	
Material Consumed	Rs 120000
Direct Wages	Rs 50000
Machine hours	25000
Labour hours worked	12500
Factory overheads relating to the department	Rs 80000

17 Differentiate between Process costing from Job Costing.

PART – C

Answer any TWO Questions: (2 x 20 = 40 Marks)

18 Explain the different methods of Costing.

19 From the following information prepare the stores ledger account under FIFO&LIFO method and ascertain the value of the closing stock.

2019Jan Dates	Particulars
1	Opening stock 200 units @ Rs 2.50 per unit
5	Purchased 300 units @ Rs 3 per unit
7	Purchased 500 units @ Rs 4 per unit

10	Issued 600 units
12	Purchased 400 units @ Rs 4 per unit
18	Issued 500 units
24	Purchased 400 units @ Rs 5 per unit
28	Issued 200 units

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

Departments	**A**	**B**	**C**	**X**	**Y**
Total Overheads as per Primary distribution (Rs)	16000	13000	14000	4000	6000

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

	Production Department			**Service Department**	
Expenses	A	B	C	X	Y
X	20%	25%	35%	--	20%
Y	25%	25%	40%	10%	--

Prepare a statement of Secondary distribution under Repeated distribution method.

21 Examine the methods of valuation of Joint costs and By-products.

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