



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

THIRD SEMESTER – NOVEMBER 2024

UBU 3501 – COST ACCOUNTING



Date: 08-11-2024

Dept. No.

Max. : 100 Marks

Time: 09:00 am-12:00 pm

SECTION A - K1 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

1. Answer the following

- a) Variable cost
- b) Store keeping
- c) Idle time
- d) Transport costing
- e) Work-in-progress

2. Fill in the blanks

- a) Audit fees is a part of _____ overhead.
- b) LIFO is _____ in first out method.
- c) Over time premium is paid at _____ the normal rate.
- d) Allocation and apportionment of overhead to all the departments is known as _____ distribution.
- e) _____ is a cost accounting system that accumulates costs by process or department for a set period of time.

SECTION A - K2 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

3. Match the following

- a) Fixed cost : business expenses
- b) Bin card : specific order costing
- c) Abnormal idle time : Rent
- d) Overhead : Maintain inventory levels
- e) Batch costing : worker strike

4. True or False

- a) Bad debts are excluded from cost accounts.
- b) ABC analysis gives equal importance to all materials.
- c) Labour turnover indicates productivity of labour.

d) Depreciation is apportioned on the basis of value of assets.

e) In job costing, each job is a cost unit.

SECTION B - K3 (CO2)

Answer any TWO of the following in 100 words each.

(2 x 10 = 20)

5. Identify the limitations of cost accounting.

6. X Company has purchased and issued materials as under:

2020		
June 1	Stock of materials	200 units at Rs. 2.50 per unit
3	Purchased	300 units at Rs. 3 per unit
7	Purchased	500 units at Rs. 4 per unit
10	Issued	600 units
12	Purchased	400 units at Rs. 4 per unit
18	Issued	500 units
24	Purchased	400 units at Rs. 5 per unit
28	Issued	200 units

Prepare the stores ledger under FIFO method.

7. From the following information calculate the labour turnover rate:
Number of workers at the beginning of the period : 3,800
Number of workers at the end of the period : 4,200
During the year, 40 workers left while 160 workers are discharged. 600 workers are recruited during the year; of these 150 workers are recruited to fill up vacancies and the rest are engaged on account of an expansion scheme.

8. Work out the machine hour rate for the following machine whose scrap value is nil.

Cost of machine Rs. 3,60,000
Freight and installation Rs. 40,000
Working life: 20 years
Working hours: 8,000 per year
Repair charges: 50% of depreciation
Power: 10 units per hour @ 10 paise per unit
Lubricating oil @ Rs. 2 per day of 8 hours
Consumable stores @Rs. 10 per day of 8 hours
Wages of operator @ Rs. 4 per day.

SECTION C – K4 (CO3)

Answer any TWO of the following in 100 words each.

(2 x 10 = 20)

9. From the following particulars, prepare a cost sheet showing the selling price per unit.

	Rs.
Raw materials	9,100
Labour and other direct expenses	4,000

Factory expenses 80% of the labour and other direct expenses.

Office overheads 10% of works cost.

Selling and distribution expenses Rs. 2 per unit sold.

Units produced and sold – 10,000

Percentage of profit – 20% on selling price.

10. Two components X and Y are used as follows:

Usage	Units per week each
Normal usage	600
Maximum usage	900
Minimum usage	300

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

(d) Average stock level

11. Calculate the earnings of a worker under the following methods:

Time rate method

Piece rate method

Halsey method

Rowan plan

Information given:

Standard time 30 hours

Time taken 20 hours

Hourly rate of wages Rs. 1 per hour plus a dearness allowance at 50 paise per hour worked.

12. Vishnu printers undertook two jobs during the 1st week of June 2020. The following details are available.

	Job A Rs.	Job B Rs.
Materials supplied	4,000	2,000
Wages paid	900	600
Direct expenses	200	100
Material transfer from job B to job A	200	200
Material returned to stores	-	100

Find the cost of each job and profit or loss if any, assuming that job B is completed and invoiced to the customer at Rs. 3,000.

SECTION D – K5 (CO4)

Answer any ONE of the following in 250 words

(1 x 20 = 20)

13. 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	100 units out of purchases made

		vendors	on 20th April				
	A shortage of 100 units was noticed and recorded on 26th April.						
14.	M/s Raja Industries Ltd., are the manufacturers of moonlight torches. The following data relate to manufacture of torches during the month of March 2021.						
	Raw Materials Consumed	Rs.20,000					
	Direct wages	Rs.12,000					
	Machine hours worked	9500 hours					
	Machine hour rate	Rs. 2					
	Office overheads	20% of works cost					
	Selling overheads	50 paise per unit					
	Unit Produced	20,000 units					
	Units Sold	18,000 @ Rs.5 per unit					
	Prepare cost sheet showing the cost and the profit per unit and the total profit earned.						
SECTION E – K6 (CO5)							
Answer any ONE of the following in 250 words			(1 x 20 = 20)				
15.	Koushik producing concern is divided into five departments. ‘A’, ‘B’, ‘C’ are production departments and ‘D’ and “E” is a service department. The actual expenses for a period are as follows:						
				Rs.			
	Rent		5,000				
	Indirect wages		1,500				
	Depreciation of plant		10,000				
	Lighting expenses		600				
	Power		1,500				
	Sundries		10,000				
	The following information relates to five departments.						
		Departments					
		Total	A	B	C	D	E
	Floor space in square feet	10,000	2,000	2,500	3,000	2,000	500
	Light points	60	10	15	20	10	5
	Direct wages (Rs.)	10,000	3,000	2,000	3,000	1,500	500
	H.P of machines	150	60	30	50	10	-
	Value of machinery (Rs.)	2,50,000	60,000	80,000	1,00,000	5,000	5,000
	Apportion the costs to the various departments on the most equitable method.						
16.	Describe the methods of dealing with 'Joint Costs' incase of joint products.						

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