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GS-524

IV Semester B.B.A. Examination, May/June 2019

BUSINESS ADMINISTRATION

Paper-4.6: Cost Accounting

(CBCS) (Fresh + Repeaters) (2015-16 & Onwards)

Time: 3 Hours Max. Marks: 70

Instruction: Answer should be written only in English.

SECTION - A

Answer any five sub-questions of the following. Each sub-question carries two marks.

- (a) Define Cost Accounting.
 - (b) What are Direct Costs? Give two examples.
 - How to compute Direct Material Consumed?

 - (d) What is Time Keeping?
 (e) Name any two types of Bonus Schemes.
 - What are overheads? Give Examples.
 - What is meant by Reconciliation between CA profit and FA profit?

SECTION - B

Answer any three questions of the following. Each question carries six marks.

- Define Cost Accounting. Explain the Objectives of Cost Accounting

3.	The following extracts of costing	information	relate	to commodity-	Z for	the
	year ending 31.03.2019		7			
	Particulars			60.000		

purchase of Raw Materials	60,000
Direct Wages.	50,000
	20,000
Rent, Rates and Insurance	10,000
Carriage Inwards	10,000
Stock (01.04.2018): Raw Materials · : Finished products-200 Tonnes	8,000
: Finished products 200	11,000
Stock (31.03.2019): Raw Materials . Finished products-400 Tonnes	
· Hinished products 100	

Cost of Factory Supervision

1,50,000 Advertising and selling cost is ₹ 4 per ton sold and 3,200 tonnes of the Sale of Finished Products commodity were sold out of 3400 units produced during the year 2018-19. prepare a cost sheet.

3x6=18

as follows :

Directors Fee

4. In a manufacturing company, the particulars of Material-P is as follows
Re-ordering quantity-4000 units
Maximum Consumption-1000 units
Minimum Consumption-400 units
Normal Consumption-700 units
Re-order period-3 to 5 weeks
Calculate (a) Re-order level (b) Minimum Level and (c) Maximum Level

5. A worker produced 250 units in a week's time. The Guaranteed weekly wage payment for 45 hours is ₹ 90. The expected time to produce one unit is 15 minutes which is raised further by 20% under the incentive schemes. What will be his earnings per hour under Halsey plan and Rowan plan?

6. Workout the Machine Hour Rate for the following Machin-X for the month of March 2019

cost of the Machine ₹ 9,00,000 Freight and Installation ₹ 1,00,000 Working Life 10 Years

Working Hours 20,000 Hours per year Repairs and Maintenance ₹ 50% of Depreciation

Power-10 units per hour @ ₹ 3.50 per unit
Lubricating Oil ₹ 200 per day of 8 hours
Consumables @ ₹ 100 per day of 8 hours
Wages of Operator @ ₹ 400 per day

SECTION - C

Answer any three questions of the following. Each question carries fourteen marks.

7. From books of M/s Laxman Enterprises the following details have been extracted for the year March 2019:

The set resultaneously of Piolog		₹
Stock of Materials	opening	1,88,000
	Closing	2,00,000
Materials purchased during the	year (8,32,000
Direct Wages paid		2,38,400
111-200		16,000
Indirect wages Salaries to Administrative staff		40,000
Freight:		32,000
	outward	20,000
Cash discount allowed		14,000
		18,800
Repairs of plant and Machinery	1991	42,400
Rent, Rates and Taxes:	Factory 48400	12,000
Rent, Rates and	office 40	6,400
Was Expenses	open about total to	12,400
Travelling Expenses Sales Men's Salary and Commis	ssion	33,600

Allia Illant and and		
Depreciation w/o:	Plant & Machinery	28,900
	Furniture	2,400
Directors Fee		24,000
Electricity Charges	Factory	48,000
Fuel for Boilers		64,000
Sales of Scrap		500
General charges		24,800
Manager's Salary		48,000
Sales		15,80,000

The Manager's Salary between the factory and the office in the ratio of 1:4 From the above details prepare a cost sheet to show: (a) prime Cost, (b) Factory Cost (c) Cost of Production, (d) Cost of Sales and (e) Profit.

The following is the record of receipt and issues of a certain material in the 8. factory during the first week January 2019, prepare the stores ledger account under FIFO method.

2019

2019		
Jan. 1	Opening balance	500 tonnes @ ₹ 100 per ton
	Issued	300 tonnes
2.	Received	600 Tonnes @ ₹ 102 per ton
3.	Issued	250 tonnes (stock verification reveals a loss of 10 tons)
4.	Received back from work orders	100 tonnes (previously issued at ₹ 91.50 per order ton)
5.	Lagued	400 tonnes
	Received Received	220 tonnes @ ₹ 103 per ton
6. 7.	Issued	380 tonnes

On the basis of the following information, calculate the earnings of workers M & N under (a) Time Rate system (b) Straight piece rate system and (c) Taylors Differential Piece Rate System.

Standard production - 8 units per hours Normal time rate - ₹ 4 per hour

Differentials to be applied:

(a) 80% of piece rate below standard

(b) 120% of piece rate at or above standard

In a 9 hours day, M produced 54 units and N produced 75 units.

10. A factory has three production departments and two service departments the primary overhead distribution summary shows the following:

Departments A B C P Q Overheads ($\stackrel{?}{\stackrel{?}{$}}$) 6,50,000 6,00,000 5,00,000 1,20,000 1,00,000 The service department expenses are allotted on a percentage basis as follows:

	Production Department			Service De	Department	
	A	В	C	P	Q	
Service Dept.p	30	40	15		15	
Service Dept.O	40	30	25	5		

Show how the expenses of the two service departments are to be charged to production department under; (a) Repeated distribution method and (b) Simultaneous Equations method

11. From the following details, you are required to prepare a Reconciliation Statement and also ascertain the profit as per financial book:

State	Particulars	Cost Books (₹)	Financial Books (₹)
1.	profit as per Cost records	3,85,000	?
2.	Work overhead	68,500	72,000
3.	Administrative overheads	92,750	1,02,000
4.	selling overheads	45,600	38,500
5.	Depreciation		62,850
6.	Stored adjustment (Credit)in P&	L a/c	7,500
7.	Value of opening Stock	86,400	75,000
8.	Value of closing Stock	94,800	86,400
9.	Reserve for Bad Debts		16,050
10.	Interest on Bank deposit rece	ived	16,750
11.	Loss on Sale of Machinery		15,000
12.	Tax Provision		42,750
13.	Interest on Bank Loan paid		18,250

151700