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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

. (a) 24.33

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. **5x2=10**

- 1. (a) Define Cost Accounting.
 - (b) What are Direct Costs? Give two examples.
 - (c) How to compute Direct Material Consumed?
 - (d) What is Time Keeping?
 - (e) Name any two types of Bonus Schemes.
 - (f) What are overheads? Give Examples.
 - (g) 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.

2. Define Cost Accounting. Explain the Objectives of Cost Accounting

3x6=18

3. The following extracts of costing information relate to commodity-Z for the

U	acts of costing information relate to	5 commodity 2 for the	
year ending 31.03	.2019		
Particulars		₹	
purchase of Raw	Materials	60,000	
Direct Wages		50,000	
Rent, Rates and I	nsurance	20,000	
Carriage Inwards	are seaten for Straight willing on	10,000	
Stock (01.04.2018): Raw Materials	10,000	
	: Finished products-200 Tonnes	-8,000	
Stock (31.03.2019): Raw Materials	11,000	
	: Finished products-400 Tonnes	Bad Debts w/o	
Cost of Factory Su	apervision	4,000	
Sale of Finished H	Products	1,50,000	
Advertising and s	selling cost is ₹ 4 per ton sold and	1 3,200 tonnes of the	
commodity were sold out of 3400 units produced during the year 2018-19.			
prepare a cost sh	eet.	sales Men's Salary and	

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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

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- 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

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

Stock of Materials	opening
Materials purchased during the y Direct Wages paid	Closing ear
Indirect Wages	
Salaries to Administrative staff Freight:	
Tonnes 8,000	Inward outward
Cash discount allowed	outward
Bad Debts w/o,	
Repairs of plant and Machinery	
Rent,Rates and Taxes:	Factory
Travelling Expenses	office
Sales Men's Salary and Commission	n

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Depreciation w/o :	Plant & Machinery	28,900	10. A facto
	Furniture	2,400	ing our
Directors Fee		24,000	04.Qra
Electricity Charges	Factory	48,000	
Fuel for Boilers		64,000	
Sales of Scrap		500	
General charges		24,800	
Manager's Salary	10 30 25	48,000	
Sales	les of the two service depart	5,80,000	

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

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.	Issued	400 tonnes
6.	Received	220 tonnes @ ₹ 103 per ton
7.	Issued	380 tonnes

On the basis of the following information, calculate the earnings of workers 9. 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.

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Cash discound allowed

Repairs of plant and Machinery

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 (₹) 6,50,000
 6,00,000
 5,00,000
 1,20,000
 1,00,000

Overheads (₹) 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 Department			
00cl	Α	B	С	Р	Q	
Service Dept.p	30	40	15	cuntered <u>w</u> eeld	15	
Service Dept.Q	40	30	25	5	lageria Hatt	

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:

Production, (d) Cost of Sales and (e)

	Particulars	Cost Books (₹)	Financial Books (₹)
1.	profit as per Cost records	3,85,000	bodinin 2 111 mini
2.	Work overhead	68,500	72,000
3.	Administrative overheads	92,750	1,02,000
4.	selling overheads	45,600	38,500
5.	Depreciation	toT 00a 👘 🛄	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	bio per ord	16,050

10.	Interest on Bank deposit received		16,750
11.	Loss on Sale of Machinery	D/86,	15,000
12.	Tax Provision		42,750
13.	Interest on Bank Loan paid	2,38	18,250

N under (a) Time: Note system_00.0.ight piebe rate by item () I your Miterentiable eee Rate System. haw di

(n) 80% of piece rate below standard