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III Semester B.B.A. Degree Examination, March - 2021 BUSINESS ADMINISTRATION

Cost Accounting

(CBCS Scheme Regular 2020-21)

Paper: 3.3

Time: 3 Hours

Maximum Marks: 70

Instructions to Candidates:

Answer should be written in English only.

SECTION-A

- 1. Answer any five sub-questions of the following. Each sub-question carries two marks. $(5\times2=10)$
 - a) What do you mean by cost centre?
 - b) Give the meaning of cost sheet.
 - c) What is meant by Direct material? Give an example.
 - d) Distinguish between Bin card and stores ledger.
 - e) Mention any two types of incentive plans.
 - f) What is machine hour rate?
 - g) Define Activity Based costing.

SECTION-B

Answer any three of the following. Each question carries five marks.

 $(3 \times 5 = 15)$

- 2. From the following data calculate:
 - a. Reorder level
 - b. Minimum stock level
 - c. Maximum stock level

Reorder quantity 2,400 units

Reorder period 4 to 6 weeks

maximum consumptioni 450 units per week

minimum consumption 150 units per week.

3. Mr. Prasad furnisher the following data relating to the manufacture of a standard product during the month of January 2021.

Raw materials consumed Rs. 2,00,000

Direct wages Rs. 1,20,000

Machine hours worked 1000 hours

Machine hour rate Rs. 20 per hour

Office overheads Rs. 68,000

Selling overheads Rs. 4 per unit sold

Units produced : 20,000

Units sold : 18,000 at Rs. 30 per unit

Prepare a cost sheet showing the total cost and profit for the month.

4. Calculate the earnings of a worker under

- a. Rowan premium Bonus system and
- b. Halsey weir premium bonus system

From the following particulars

Hourly rate of wages Rs. 15

Standard time for producing one dozen articles is 3 hours. Actual time taken by the worker to produce 20 dozen articles is 48 hours.

5. From the following calculate cost driver rates

a.	Purchase order cost	Rs. 90,000
b.	Setup cost	Rs. 3,00,000
c.	Maintenance cost	Rs. 1,15,000
d.	Material handling cost	Rs. 1,50,000
e.	Machine testing cost	Rs. 4,00,000

Cost allocation basis are:

No. of setups	:	200
No. of purchase orders	;	50
No. of Batches run	:	100
No. of time material handled	:	500
No. of tests	:	4,000



SECTION-C

Answer any Three questions. Each question carries 15 marks.

 $(3 \times 15 = 45)$

6. ABC Limited provider the following information for 5,000 articles manufactured during the year 2020-21.

Materials	Rs. 1,50,000
Direct wages	Rs.1,30,000
Power and consumables	Rs. 20,000
Lighting charges of the factory	Rs. 22,000
Office staff salaries	Rs. 68,000
Selling expenses	Rs. 20,000
Sale proceeds of factory scrap	Rs. 8,000
Plant repairs and Maintenance	Rs. 17,500

Selling price per unit Rs. 240 and all units were sold.

Prepare:

- a. Cost sheet for the year 2020-21.
- b. Statement of Quotation for the year 2021-22

Assume factory overheads are to be recovered as a percentage on direct wages and office overheads as a percentage on works cost and selling expenses per unit remain same. It is estimated that production for the year 2021-22 will increase by 50% due to its space capacity. The tender is to be made keeping a net profit of 20% on the selling price.

7. Following are the details of receipts and issues of material D-20 for the month of March 2020.

Receipts	Quantity	Rate	Issues	Quantity
1-3-2020	800 units	Rs. 25 per unit	3-3-2020	1000 units
19-3-2020	1,000 units	Rs. 23 per unit	11-3-2020	800 units
28-3-2020	400 units	Rs. 21 per unit	25-3-2020	600 units
			29-3-2020	200 units

On 1-3-2020 opening stock was 1,250 units at Rs. 27 per unit.

Prepare stores ledger accounts by adopting.

- a. FIFO method and
- b. LIFO method of pricing material issues.



8. The following are the particulars given to your:

Standard time

20 hours

Time Rate

Rs. 100 per hour

Prepare a comparative table under Halsey plan and Rowan plan if time taken is 18 hours, 16 hours, 12 hours, 8 hours and 6 hours. The table should clean by show the amount of bonus payable, the amount of total wages and labour cost per hour under the two methods.

State at least one point of distinction between Halsey plan and Rowan plan in the light of your calculation.

- 9. You are supplied with the following information and required to work out the production hour rate of recovery of overheads of A, B and C under:
 - a. Repeated distribution method
 - b. Simultaneous equations method

The last the state of	Product	ion Departr	Service Departments		
Primary overheads (Rs.)	A	В	C	P	Q
	7,810	12,543	4,547	4,000	2,600

Expenses of service departments P and Q are apportioned as under:

	Production Department			Service Departments		
A Salahay service.	Α	В	C	P	Q	
Service Department P:	30%	40%	20%	20.5)(15.45)	10%	
Service Department Q:	10%	20%	50%	20%	b vil sterade 76	

Estimated working hours of production are as under:

Department A - 1,000 hours

Department B - 2,500 hours

Department C - 1,400 hours