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III Semester B.B.A. (Regular), B.B.A. (Aviation Management) and
B.B.A. (Bus. Analysis) Degree Examination, December/January - 2025/26

BUSINESS ADMINISTRATION
Fundamentals of Cost Accounting
(SEP Scheme)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Answers should be written in English only.

SECTION - A

Answer any Five questions. Each question carries 2 marks.

(5×2=10)

1. a) Define Costing
- b) What are direct cost?
- c) What is Time Keeping?
- d) What do you mean by overheads?
- e) State any two objectives of cost accounting.
- f) What is Semi - Variable cost?
- g) What is Bin Card?
- h) Find out EOQ from the following. Annual consumption 8,000 units; cost of material per unit Rs. 4, cost of placing order Rs. 10 per order, Inventory Carrying charges 16%.

**SECTION - B**

Answer any Four questions. Each question carries 5 marks.

(4×5=20)

2. Write any five differences between cost accounting and Financial accounting.
3. Calculate a) Reorder level b) Minimum level c) maximum level from the following
Reorder quantity - 3,000 units
Normal consumption - 500 units
Minimum consumption - 250 units
Maximum consumption - 750 units
Re-order period - 2 to 4 weeks.

[P.T.O.]





4. Calculate total monthly remuneration of 3 workers A, B & C from the following data
- Actual production during the month A - 400 units, B - 370 units, C - 450 units.
 - Piece work rate Rs. 30 per unit of actual production.
 - DA Rs. 1,000 per month (fixed)
 - HRA Rs. 500 per month (fixed)
5. A factory produces a standard product. The following information are given to you from which you are required to prepare a cost sheet for March 2025.
- Raw-materials consumed Rs. 2,90,000 Direct wages 1,20,000 Rs., other direct expenses Rs. 80,000, Factory overheads 80% of direct wages, office overheads 10% of works cost, selling and distribution expenses Rs. 20 per unit sold, units produced and sold during the month 10,000.
- Find out the selling price per unit when the profit earned is 20%.
6. Compute the machine hour rate from the following.
- Cost of machine - Rs. 10,000
 - Estimated life 10 years
 - Scrap value - Rs. 1,000
 - Yearly working time. [50 weeks of 44 hrs each) 2200 hrs.
 - Machine maintenance 200 hrs p.a.
 - Setting up time estimated at 5% of total productive time.
 - Electricity 16 units per hour @ Rs. 0.10 per unit
 - Chemicals required weekly Rs. 20
 - Maintenance cost per year Rs. 1,200
- You are required to calculate machine Hour Rate.
7. Classify the following expenses into factory overhead, office and administration overhead, selling and distribution overhead.
- Power and fuel
 - Counting house expenses
 - Salesmen Salary
 - Freight outwards
 - Insurance of stock

SECTION - C

Answer any Three questions. Each question carries 15 marks. (3×15=45)

8. Following particulars available from the cost records of Ravi Ltd., for the month of March 2024.
- | | | |
|-----|---|--|
| 1/3 | - | Opening balance 50 units at Rs. 6.5 per unit |
| 4/3 | - | Issued 8 units |
| 6/3 | - | Received 50 units at Rs. 5.75 per unit |



- 7/3 - Issued 12 units
10/3 - Returned to Vendor 10 units
12/3 - Issued 15 units
13/3 - Issued 20 units
15/3 - Received 25 units @ Rs. 6.10 per unit
17/3 - Issued 10 units
19/3 - Received replacement 10 units
20/3 - Returned to stores 5 units
26/3 - Issued 10 units

Prepare stores ledger under FIFO method.

9. The details of a Job performed by two workers Mr. X and Mr. Y are as under. You are required to calculate total earnings of each worker under Halsey plan and Rowan plan and effective rate of earnings per hour.

- a) Standard time - 30 hours
b) Hourly rate - Rs. 18
c) Actual time taken - Mr. X - 30 hrs
Mr. Y - 20 hrs

10. The following particulars relate to a manufacturing Company which has 3 production departments A, B and C and 2 service departments x and y

Particulars	A	B	C	X	Y
Total overheads	6,300	7,400	2,800	4,500	2,000

as per primary distribution

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

	A	B	C	X	Y
Service Department X	40%	30%	20%	-	10%
Service Department Y	30%	30%	20%	20%	-

Find out the total overhead of production department charging service department's cost to production on the basis of Simultaneous equation method and Repeated distribution method.

11. Following are the receipts and issues of a raw-material in Indra Ltd., during April 2024

- 1/4 - Opening balance 1,000 units @ Rs. 50 per unit
3/4 - Issued 140 units
4/4 - Issued 200 units

[P.T.O.]

- 13a. Issue 70 units
 13a. Received 40 units @ Rs. 45 per unit
 13a. Issue 20 units
 13a. Balance of supplies from work order 20 units @ Rs. 45 per unit
 13a. Received 40 units @ Rs. 52 per unit
 13a. Issue 20 units
 13a. Received 40 units @ Rs. 50 per unit
 13a. Issue 24 units
 13a. Balance of supplies from a work order 24 units (based on 3rd April)
 13a. Received 200 units @ Rs. 25 per unit You are required to record the above transaction in your ledger making the debit under.

Weighted Average Method.

12. In respect of a factory, the following figures have been obtained for the year 2024.

Materials - Rs. 12,00,000

Direct wages - Rs. 11,00,000

Factory overheads - Rs. 6,00,000

Administration overheads - Rs. 6,72,000

Selling overheads - Rs. 4,48,000

Distribution overheads - Rs. 2,80,000

Profit - Rs. 8,40,000

A work order is to be executed in the year 2025, which requires Rs. 16,000 towards materials and Rs. 11,000 towards wages.

Determine the price at which the work order should be accepted, so as to earn the same rate of profit on selling price as in 2024.

SECTION - D

Answer the following question carries 5 marks.

(15-5)

13. Mention the causes of labour turnover in manufacturing organisations.