

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.B.A.DEGREE EXAMINATION –BUSINESS ADMINISTRATION

FIFTH SEMESTER – NOVEMBER 2018

BU 5507– COST ACCOUNTING

Date: 27-10-2018
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

PART - A

Answer ALL Questions

(10*2=20 Marks)

1. State any two objectives of cost accounting.
2. What do you mean by Activity Based Costing?
3. Define overheads.
4. What do you mean by machine hour rate?
5. Write a short note on reconciliation.
6. What is meant by incentive system?
7. A manufacturer buys certain equipment from outside supplier at Rs. 30 per unit. Total annual needs are 80,000 units. The following further data are available.

Annual Return on Investment - 10%

Rent, Insurance, Taxes per unit per year - Rs. 13

Cost of placing an order Rs. 100

Determine the EOQ.
8. From the following information prepare the cost sheet. Direct materials Rs. 1,50,000, Direct labour Rs. 70,000, Direct expenses Rs. 5,000, Factory expenses Rs. 15,000, Administrative expenses Rs. 10,000, Selling expenses Rs. 3,500 and Sales Rs. 2,75,000.
9. In a company, weekly minimum & maximum consumption of material A are 25 & 75 units respectively. The recorder quantity as fixed by the company is 300 units. The material is received within 4 to 6 weeks from issue of supply order. Calculate Minimum level & Maximum level of A.
10. What is prime cost?

Part - B

Answer any **FOUR** Questions:

(4*10=40 marks)

11. A worker is paid at 25 paise per hour for completing a work within 8 hours. If he completes the work within 6 hours, calculate his wages under Halsey plan when the rate of Premium is 50%. Also ascertain the effective hourly rate of earning by the worker.

12. Kumaresh Ltd has three production departments A, B, C and two service depts. D & E.

The following figures are extracted from the records of the company:

	Rs.
Rent & Rates	5,000
Indirect Wages	1,500
Depreciation on Machinery	10,000
General Lighting	600
Power	1,500
Sundries	10,000

Following Further details are available

Particulars	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 cost to various departments on the most equitable basis by preparing a primary departmental distribution summary.

13. Distinguish between cost accounting and financial accounting

14. A truck starts with a load of 10 tons of goods from Station A. It unloads 4 tons at Station B & rest of the goods at Station C. It reaches back to Station A after getting reloading with 8 tons of goods at Station C.

The distance between A to B, B to C and then from C to A are 40 kms, 60 kms & 80 kms

respectively, Compute 'Absolute Tons Kms' and 'Commercial Tons Kms'

15. During the Year 1998, X Ltd, produced 50,000 units of a product.

The following were the expenses:

Particulars	Rs.
Stock of Raw Materials on 1/1/98	10,000
Stock of Raw Materials on 31/12/98	20,000
Direct Wages	75,000
Purchases	1,60,000
Direct Expenses	25,000
Factory Expenses	37,500
Office Expenses	62,500
Selling Expenses	25,000

You are required to prepare a cost sheet showing cost per unit & total cost.

16. Explain the role of Cost accountant.

17. Briefly classify overheads based on behavior.

PART - C

Answer any TWO Questions:

(2*20=40 marks)

18. Distinguish between cost accounting and financial accounting.

19. From the Particulars given below write up the stores ledger card:

1998, Jan 1 Opening Stock 1,000 Units @ Rs. 26 each.

Jan 5 Purchased 500 Units @ Rs. 24.50 each.

Jan 7 Issued 750 Units.

Jan 10 Purchased 1,500 Units @ Rs. 24 each.

Jan 12 Issued 1,100 Units.

Jan 15 Purchased 1,000 Units @ Rs. 25 each.

Jan 17 Issued 500 Units.

Jan 18 Issued 300 Units.

Jan 25 Purchased 1,500 Units @ Rs. 25 each.

Jan 29 Issued 1,500 Units.

Adopt the FIFO method of issue & ascertain the value of the closing stock.

20. Calculate the earnings of 3 Workers A, B, C under Merrick's Multiple Piece rate system, from the following:

Standard Production per day: 150 Units.

Normal Piece rate: Re. 0.50 Per Units.

Production of Workers on a particular day:

A: 120 Units

B: 140 Units

C: 160 Units

21. The following details pertain to the production department of a factory:

Material Consumed – Rs. 60,000.

Direct wages – Rs. 40,000.

Machine Hours – 50,000 hrs

Labour Hours Worked – 25,000 hrs

Factory O/H relating to the dept – Rs. 50,000.

Calculate overhead absorption rates under different possible methods from the above details.
