

**III Semester B.B.A. Examination, March/April 2023**  
**(NEP) (2022-23 and Onwards) (Freshers)**  
**BUSINESS ADMINISTRATION**  
**Paper – 3.1 : Elements of Cost Accounting**

Time : 2½ Hours

Max. Marks : 60

*Instruction : Answers should be written in English only.*

**SECTION – A**

1. Answer **any 6** of the following sub-questions. **Each** sub-question carries **2** marks. **(6×2=12)**
- a) What do you mean by a cost centre ?
  - b) Write any two objectives of cost accounting.
  - c) What is purchase requisition ? To whom it is submitted ?
  - d) What is time keeping ?
  - e) What is ABC analysis ?
  - f) State any four examples of administration overheads.
  - g) What is predetermined cost ?
  - h) What is machine hour rate ?

**SECTION – B**

Answer **any three** of the following questions. **Each** question carries **4** marks. **(3×4=12)**

2. What are the essentials of a good wage payment system ?
3. Prepare a cost sheet from the following information :

	₹
Direct materials	1,00,000
Production wages	60,000
Factory expenses	40,000
Sale of scrap	2,000
Office overheads	32,000
Selling expenses	13,000
Sales	2,72,000



4. Calculate the EOQ from the following :
- Annual usage 600 units  
 Ordering cost ₹ 12 per order  
 Carrying cost 20%  
 Price per unit ₹ 20.
5. Calculate total earnings of worker under Halsey and Rowan Plan  
 Standard time 10 hours  
 Hourly rate ₹ 2  
 Time taken 6 hours.
6. From the following particulars calculate the machine hour rate.
- |                                    |                                     |
|------------------------------------|-------------------------------------|
| Cost of machine                    | ₹ 11,000                            |
| Scrap value                        | ₹ 680                               |
| Repairs for effective working life | ₹ 1,500                             |
| Standing charges for 4 weeks       | ₹ 1,600                             |
| Effective working life             | 10,000 hours                        |
| Power used                         | 6 units per hour @ 5 paise per unit |
| Hours worked in 4 weeks            | 120 hours                           |

## SECTION – C

Answer any three of the following questions. Each question carries 12 marks. (3×12=36)

7. The following particulars are obtained from Tom and Jerry Co. Ltd. as on 31<sup>st</sup> December 2021.

	₹
Raw materials used	8,64,000
Direct wages	7,20,000
Factory overheads	4,32,000
Administrative overhead	4,09,600
Selling overhead	5,04,000
Profit	5,85,920



- a) Prepare cost sheet for 2021.
- b) In 2022 the company received an order.

It is estimated that direct materials would cost ₹ 8,32,000 and labour ₹ 7,20,000.

What should be the price to be quoted to earn the same rate of profit on sales as in 2021 ?

Assume that factory overhead is recovered as a percentage of direct wages, administrative and selling overhead as a percentage on works cost, based on cost prevailing in the previous year.

8. From the following information prepare Stores Ledger Account under LIFO method.

1 <sup>st</sup> Jan.	Opening stock	200 pieces @ ₹ 2 each
5 <sup>th</sup> Jan.	Purchases	100 pieces @ ₹ 2.20 each
10 <sup>th</sup> Jan.	Purchases	150 pieces @ ₹ 2.40 each
20 <sup>th</sup> Jan.	Purchases	180 pieces @ ₹ 2.50 each
2 <sup>nd</sup> Jan.	Issues	150 pieces
7 <sup>th</sup> Jan.	Issues	100 pieces
12 <sup>th</sup> Jan.	Issues	100 pieces
28 <sup>th</sup> Jan.	Issues	200 pieces

9. From the following particulars prepare labor cost sheet per man-day of 8 hours.

- a) Basic salary ₹ 2 per day
- b) Dearness allowance 25 paise for every point over 100 cost of living index.  
Current cost of living index 700 points
- c) Leave salary 10% of (a) and (b)
- d) Employer's contribution to PF 8% of a + b + c
- e) Employer's contribution to state insurance 2.5% of a + b + c
- f) Expenditure on amenities ₹ 20 per head per month
- g) Number of working days in a month 25 days of 8 hours each