III Semester B.B.A. Examination, February/March 2024
(NEP) (F+R)
BUSINESS ADMINISTRATION
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) Define Cost Accounting.

   b) What are indirect materials ? Give example.

   c) Name any 4 techniques of Inventory Control.

   d) What is Idle Time ?

   e) What is meant by Labour Turnover ?

   f) Give 4 examples of fixed overheads.

   g) State any 4 factory overheads.

   h) What is implicit cost ?

SECTION – B

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

2. Explain the objectives of Cost Accounting (any 4).

3. Calculate materials consumed

	₹
Opening Stock of Raw Materials	50,000
Purchase of Raw Materials	30,000
Closing stock of Raw Materials	17,000
Carriage Inwards	3,000
Expenses on Purchases	1,500

P.T.O.

4. Component A is used for production in XYZ Co. Ltd.

   Normal Usage 50 units per week

   Minimum Usage 25 units per week

   Maximum Usage 75 units per week

   Reorder Quantity 300 units

   Reorder Period 4-6 weeks

   Calculate :

   a) Reorder Level

   b) Maximum Level.

5. From the given information, calculate earnings of each worker under Rowan Plan.

   Standard Time Allowed – 10 hours

   Actual Time Taken by Worker A – 12 hours

   Worker B – 07 hours

   Hourly rate of wages ₹ 2.00

6. A Ltd. requires 1,500 units of a material per month, each costing ₹ 27. Cost per order is ₹ 150 and the carrying charges is 20% of the average inventory. Find out the economic order quantity and the number of orders per year.

SECTION – C

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

7. From the following prepare a cost sheet showing :

   i) Cost of materials consumed

   ii) Prime cost

   iii) Production cost

   iv) Total cost

   v) Profit.

	₹
Stock of raw materials – 1st Jan. 2019	30,850
Work in progress – 1st Jan. 2019	60,850
Purchases of raw materials	1,43,250
Direct wages	1,78,500
Production overhead	1,42,800
General overhead	1,12,700
Stock of raw materials – 31st Dec. 2019	37,700
Work in progress – 31st Dec. 2019	67,750
Sales for the year	8,60,625

8. Prepare a Stores Ledger Account adopting "First In First Out" method of pricing issues of materials and 'Last in First Out' method.

Jan. 1	Opening Stock	200 units @ ₹ 3 each
Jan. 2	Received	300 units @ ₹ 4 each
Jan. 4	Issued	250 units
Jan. 6	Received	100 units @ ₹ 2 each
Jan. 7	Issued	50 units
Jan. 8	Received	300 units @ ₹ 3 each
Jan. 10	Issued	200 units

9. A workman's wages for a guaranteed 44 hour week is Re. 0.75 per hour. The estimated time to produce one article is 30 minutes and under an incentive plan, time allowed is increased by 20%. During a week, a worker produced 100 articles. Calculate his wages under each of the following methods :

   a) Time Rate

   b) Rowan system

   c) Halsey System

10. CD Ltd. has three production departments A, B and C and two service departments D and E. The following figures are extracted from the records of the company.

	₹		₹
Rent and Rates	5,000	General Lighting	600
Indirect wages	1,500	Power	1,500
Depreciation of Machinery	10,000	Sundries	10,000

The following details are available :

	Total	A	B	C	D	E
Floor space (sq. ft.)	10,000	2,000	2,500	3,000	2,000	500
Light Points	60	10	15	20	10	5
Direct Wages (₹)	10,000	3,000	2,000	3,000	1,500	500
HP of Machines	150	60	30	50	10	–
Value of Machinery in (₹)	2,50,000	60,000	80,000	1,00,000	5,000	5,000

Apportion the costs to various departments on the most equitable basis.

11. a) Classify and explain overheads according to functions.

b) Prepare a Stores Ledger Account from the following details using weighted average method of pricing.

1 April	Opening stock	500 units @ ₹ 20 each
4 April	Purchases	400 units @ ₹ 21 each
6 April	Issued	600 units
8 April	Purchases	800 units @ ₹ 24 each
9 April	Issued	500 units
13 April	Issued	300 units
24 April	Purchases	500 units @ ₹ 25 each