



UG – 352

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IV Semester B.B.A. Examination, September/October 2022  
(CBCS) (2021 – 22 Onwards) (Fresh)  
**BUSINESS ADMINISTRATION**  
**Paper – 4.2 : Cost Accounting**

Time : 3 Hours

Max. Marks : 70

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

SECTION – A

1. Answer **any five** questions. **Each** question carries **two** marks. (5×2=10)
- What is perpetual inventory system ?
  - State different levels of stock.
  - Write any four examples of administrative overhead.
  - What is piece rate system ?
  - What is idle time ?
  - Write any two advantages of time rate system.
  - State two differences between fixed and variable costs.

SECTION – B

Answer **any three** of the following questions. **Each** question carries **five** marks. (3×5=15)

- What do you mean by labour turnover ? Mention the methods of calculating labour turnover.
- From the following particulars prepare store ledger A/c under weighted average method.  
Jan. 1<sup>st</sup> stock on hand 100 units ₹ 2  
Feb. 10<sup>th</sup> issues 300 units  
Jan. 5<sup>th</sup> purchases 200 units @ ₹ 3  
Jan. 10<sup>th</sup> issues 120 units  
Jan. 20<sup>th</sup> purchases 250 units @ 3.20

P.T.O.



4. In a factory, the expenses are as follows.
- |                  |              |
|------------------|--------------|
| Material         | Rs. 2,00,000 |
| Labour           | Rs. 1,50,000 |
| Factory expenses | Rs. 98,000   |
| Office expenses  | Rs. 85,000   |
| Sales total      | Rs. 5,10,000 |
- Prepare cost sheet.
5. Calculate Direct Labour Hour Rate from the following :
- |                             |            |
|-----------------------------|------------|
| Total number of workers     | 100        |
| Working days in a year      | 300        |
| No. of hours per day worked | 8          |
| Idle time                   | 5%         |
| Factory overheads           | Rs. 11,400 |
| Gift to workers             | Rs. 1,000  |
6. Calculate (a) Re-order level (b) Re-order quantity (c) Maximum stock level from the following information.
- Minimum stock level : 2550 units  
 Average stock level : 4550 units  
 Consumption :  
 Minimum 800 units per month  
 Maximum 1500 units per month  
 Delivery period :  
 Minimum 2 months  
 Maximum 4 months.

## SECTION – C

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

7. The following transactions occurred in purchase and issue of material in an organisation during the year 2021.

Receipts	Quantity	Rate
4-10-2021	200 units	Rs. 24 per unit
10-10-2021	150 units	Rs. 23 per unit
18-10-2021	100 units	Rs. 24 per unit
22-10-2021	100 units	Rs. 23.50 per unit



**Issues :**

5-10-2021	250 units
12-10-2021	200 units
25-10-2021	250 units

The stock on 1-10-2021 was 200 units at Rs. 25 per unit.

Prepare Stores Ledger Accounts and LIFO Method.

8. From the following information, prepare a Cost sheet and calculate cost and profit per unit of production.

Weight of finished goods	2432 Kg
Wages	Rs. 5,120
Units produced	2480
Factory overhead	60% of wages
Office overhead	25% of factory cost
Cost of raw material	Rs. 3 per Kg

Wastage of raw material during processing 5%, sales Rs. 29,760.

There is no opening and closing of stock of either raw material or work in progress.

9. Calculate the earnings of workers A and B on

I. Straight piece basis

II. Taylor's differential piece rate system.

Standard production – 8 units per hour

Normal time rate – Rs. 4 per hour

Differentials to be applied :

a) 80% of piece rate below standard.

b) 120% of piece rate at above standard.

In a 9 hours day A produced 54 units and B produced 75 units.

10. How would you apportion the following expenses between department A and B.

Rent and rates	Rs. 360
Insurance	Rs. 130
Store expenses	Rs. 742
Fire insurance	Rs. 260
General factory labour	Rs. 1,284
Depreciation	Rs. 906
Holiday pay	Rs. 520
Plant repairs	Rs. 450



Information regarding the Departments available.

	<b>A</b>	<b>B</b>
Floor space (Sq. feet)	60 × 115	45 × 100
No. of employees	18	42
Annual direct wages	Rs. 5,000	Rs. 6,000
Annual direct labour hours	36000	92500
Plant value	Rs. 10,000	Rs. 2,500

11. From the information prepare a reconciliation statement and find out profit as per financial accounts.

	<b>Rs.</b>
a) Net profit as per cost accounts	3,44,800
b) Works overheads under recovered in cost books	6,240
c) Administration overhead recovered in excess	3,400
d) Depreciation charged in financial accounts	22,400
e) Depreciation recovered in cost books	25,000
f) Interest included in financial books only	16,000
g) Obsolescence loss charged in financial accounts	11,400
h) Income tax provided in financial accounts only	80,600
i) Bank interest and transfer fees credited in financial books	1,500
j) Depreciation of stock charged in financial books	13,500
k) Stores adjustments credited in financial accounts	950

#### SECTION – D

Answer the following question (**any one**) :

(1×9=9)

12. a) Briefly explain the reason for labour turnover in organisation.

OR

- b) List out 10 items either debit or credit, which appear in financial account but do not appear in cost account ?

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