



ST. JOSEPH'S COLLEGE (AUTONOMOUS) BENGALURU-27
SEMESTER EXAMINATION- NOVEMBER 2020

BBA: III SEMESTER
BBA3119 COST ACCOUNTING

TIME: 2^{1/2} Hour

MAX. MARKS: 70 Marks

Register No-

Date: 20-11-2020

SECTION A

Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)

1. What is a Cost Centre? Give an example.
2. How is ABC analysis different from VED analysis
3. What is apportionment? How do you apportion miscellaneous expenses?
4. Microsoft ltd required 1,000 units of material X on an average for a week which is purchased at a price of Rs. 30 per unit. The ordering cost is Rs. 150 per purchase order and inventory carrying cost per unit amounted to Rs. 0.06 per week. The re-order period is 1 to 3 weeks and the weekly usage of material X varies from 750 to 1,250 units. Compute EOQ.
5. What is meant by piece rate system? Give example?
6. Standard time allowed for a job is 40 hours at the rate of Rs.5 plus D.A at ₹ 1 per hour worked. Actual time taken by a worker is 30 hours. Calculate his earnings under Halsey plan.

SECTION B

Answer any THREE of the following questions. Each question carries five marks. (3x5=15)

7. Prepare a cost sheet from the following information and ascertain the profit;

Production wages	:	2, 50,000
Direct Material	:	3, 18,200
Direct Expenses	:	30,000
Sales	:	7, 80,000
Drawing office salary	:	10,000
Counting house salary	:	18,800
Cash Discount	:	300
Carriage outwards	:	5,400
Travelling expenses	:	3,600
Traveller's Commission	:	8,500
Depreciation on Machinery	:	6,500
Depreciation on office Machinery	:	1,000
Directors fees	:	12,000
Managers salary	:	24,000
General Expenses	:	4000
Factory rent	:	5,000
Office rent	:	4,000
Donation to PM care fund	:	25,000
Works rent	:	15,400
Oil,gas and water(3/4factory and ¼ office)	:	2,800
Dividends paid	:	9,000

8. Sandeep ltd manufactures a special product A. The following particulars were collected for the year 2020.

Cost of placing an order ₹ 100

Annual carrying cost per unit ₹ 15

Normal usage per week 50 units.

Minimum usage 25 units per week
 Maximum usage 75 units per week
 Re-order period 4 to 6 weeks (2 week for emergency purchases)
 You are required to compute:

- a. Re-Order quantity
 - b. Re-order stock level,
 - c. Minimum stock level
 - d. Maximum stock level.
 - e. Danger level
9. Following particulars are available with respect to the performance of two workers Mr. Sujay, Mr. Vijay. You are required to calculate the wages of these workers under Straight piece Rate system and Taylor's differential piece rate system.
 Normal piece rate – Rs. 12 per piece.
 Standard production- 960 units.
 Actual production: Mr. Sujay- 970 units; Mr. Vijay- 950 units
 Differentials to be applied: 80% of piece rate for below standard and 120% of piece rate at or above standard.
10. What is inventory? Briefly explain any four methods of inventory control techniques.

SECTION C

Answer any TWO of the following questions. Each question carries ten marks. (2x15=30)

11. The net profits of a manufacturing company appeared at Rs. 74500 as per financial records for the year ended 31st March, 2013 the cost books, however, showed a net profit of Rs. 88460 for the same period. A careful scrutiny of the figures from both the sets of accounts revealed the following facts:

Particulars	Amount
Income tax provided in financial books	10000
Bank interest credited in financial books	250
Works overhead under-recovered in cost books	1550
Depreciation charged in financial books	5600
Depreciation recovered in costing books	6000
Administrative overheads over-recovered	850
Loss due to obsolescence charged in financial accounts	2800
Interest on investments not included in cost accounts	2000
Stores adjustments (Credited in financial books)	240
Loss due to depreciation in stock values charged in financial books	3350

You are required to prepare (a) the Reconciliation Statement (b) a Memorandum Reconciliation Account.

12. A firm has 3 production departments A, B and C and 2 service departments X and Y. The following figures are extracted from the books of the firm.

Indirect wages	600	Depreciation	4,000
Lighting	240	Power	600
Rent	2,000	others	4,000

Other particulars:

Particulars	A	B	C	X	Y
Floor space (sq. feet)	400	500	600	400	100
Direct wages (Rs)	900	600	900	900	700
Light points	20	30	40	20	10
H.P of machines	75	30	25	10	-
Value of machinery (₹)	12,000	16,000	20,000	1,000	1,000
Working hours	3,113	2,014	2,033	-	-

The expenses of service departments X and Y to be allocated as follows:

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

You are requested to distribute the service department expenses to the production department and also calculate hourly rate of each production department using simultaneous equation method.

13. Following is the extract of purchase and issues of TV Sets during the month of March 2020.

Date	Particulars
1	Opening balance – 300 units at Rs. 20/unit
3	Issued 150 units
4	Issued 100 units
10	Received 200 units at Rs. 19/unit
16	Issued 65 units
20	Received 240 units at Rs. 22/unit
22	Transferred from job no 10 to job no 15 - 10 units previously issued at Rs. 20/unit
24	Returned to supplier 20 units out of the purchases of 20 th March
25	Purchased 10 units at Rs. 24 each
26	Issued 180 units
28	Received back from manufacturing dept to stores – 15 units

Stock verification on 18th march revealed a shortage of 10 units, on 31st march showed an excess of 5 units. You are required to prepare stores ledger under FIFO and Weighted Average method.

SECTION D

Answer the following compulsory question. The question carries Fifteen marks. (1x15=15)

14. The following are the costing records for the year 2018 of a manufacturer:
Production 10,000 units; cost of raw materials Rs. 2,00,000; labour cost Rs.1,20,000;factory overheads Rs.80,000; office overheads Rs.40,000; selling expenses Rs.10,000; rate of profit 25% on selling price.

The manufacturer decided to produce 15000 units in 2019. It is estimated that the cost of raw materials will increase by 20%, the labour cost will increase by 10%, 50% of the overhead charges are fixed and the other 50% are variable. The selling expenses per unit will be reduced by 20%. The rate of profit will remain the same.

Prepare a cost statement for the year 2019 showing the total profit and selling price per unit.