**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

Registration Number:

Date & Session 6-12-2022 (9 AM)

**BBA– III SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2022**

**(Examination conducted in December 2022)**

**BA3222 – COST ACCOUNTING**

**Time: 2 Hours Max Marks: 60**

**This paper contains \_\_\_\_\_\_ printed pages and four parts**

**SECTION A**

**Answer any FIVE questions:** **(5x2=10 Marks)**

1. Define Cost Accounting.
2. State the meaning of Inventory Control.
3. State the meaning of fixed cost.
4. What is idle time?
5. Give the meaning of absorption.
6. Why do we need to reconcile of Cost and Financial Accounts?
7. List any two objectives of material control.

**SECTION B**

**Answer any THREE questions:** **(3x5=15 Marks)**

1. The following data pertain to Material M-1: Supply Period 4 to 8 months

Consumption Rate:

Maximum 600 units per month

Minimum 200 units per month

Average 400 units per month

Monthly 625 units

Storage cost is 40%, ordering costs are Rs.600 per order. Price per unit is Rs.250.

Compute the various stock levels.

1. Calculate the earnings of three workers A, B and C under: a.Taylors plan and b. Merricks plan

 In a day of 8 hrs. A produced 76 units, B- 90 Units, C- 120 Units

Standard Output for 8 hours is 96 hours

Normal rate per Piece Rs. 2

Differential piece rates are-

Efficiency below standard 75% and Efficiency above standard 110%

1. There are five departments in ABC Ltd. V, W, X, Y are manufacturing departments and department Z provides the services. The actual costs for a period are as follows:

|  |  |
| --- | --- |
| Cost  | Amount |
| Repairs  | 2,000  |
| Rent  | 2,500  |
| Depreciation  | 1,200  |
| Supervision  | 4,000  |
| Insurance on Stock | 1,500  |

The information available regarding various departments are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | V  | W  | X  |  Y  | Z  |
| Area (sq. ft)  | 140  | 120  | 110  | 90  | 40  |
| No. of Workers  | 25  | 20  | 10  | 10  | 15  |
| Value of Plant  | 20,000  | 18,000  | 16,000  | 16,000  | 10,000  |
| Value of Stock  | 15,000  | 8,000  | 5,000  | 2,000  | - |

Calculate the cost apportioned to various departments

1. Briefly explain the different types of costs.

**SECTION C**

**Answer any TWO questions:**  **(2x10=20 Marks)**

1. From the following figures prepare a reconciliation statement:

a) Net profits as per cost Accounts - Rs. 2,00,000
b) Income tax provided in financial accounts only - Rs. 60,000

c) Share transfer fee credited in financial accounts Rs. 4,000

d) Overheads recovered as per cost accounts Rs. 34,000 whereas overheads charged in financial accounts - Rs. 28,000
c) Company provided for doubtful debts Rs. 20,000
d) Depreciation charged in financial accounts – Rs 7,000
e) Directors fees shown in financial accounts Rs. 8,000

f) Value of closing stock in cost accounts Rs. 18,750

g) Value of closing stock in financial accounts Rs. 20,750
f) Interest on investment included in financial books only - Rs. 4,000
g) Goodwill written off in financial accounts Rs. 9,000
k) Stores Adjustments credited in financial accounts – Rs. 1,000

1. Prepare a stores ledger a/c under simple and weighted average method.

|  |  |  |
| --- | --- | --- |
| Receipts | Units | R.U |
| 2021 Jan. 01 | 1000 | 3 |
| 05 | 800 | 4 |
| 08 | 1200 | 5 |
| 21 | 600 | 3.5 |
| 31 | 1500 | 4.5 |
| Issues |  |  |
| 2021 Jan 02 | 300 |  |
| 04 | 800 |  |
| 19 | 1000 |  |
| 25 | 800 |  |

1. A factory has three production departments and two service departments. The following are the figures extracted from the books of accounts.

|  |  |  |
| --- | --- | --- |
| Overheads | Production Department | Service Departments |
| P | Q | R | S | T |
| Rs. 8,000 | Rs.5,000 | Rs. 6,000 | Rs. 3,000 | Rs.1,000 |

The company decided to charge the service department cost on the following percentages:

|  |  |  |
| --- | --- | --- |
| Particulars | Production Department | Service Department |
| P | Q | R | S | T |
| S | 20% | 30% | 40% | - | 10% |
| T | 40% | 30% | 20% | 10% | - |

Prepare a statement showing the distribution of service department by using simultaneous equation and repeated distribution methods.

**SECTION D**

**Answer the following question** **(1x15=15 Marks)**

1. The following information relates to M Ltd in the year 2020

Stock of Material on 1.1.2020- Rs. 10,000

Stock of Material on 31.12.2020- Rs. 5,000

Purchase of Raw Material- Rs. 15,000

Direct wages- Rs. 30,000

Factory expenses- Rs 10,000

Office expenses- Rs. 10,000

Finished Stock on 1.1.2020- Rs.5,000

Finished Stock on 31.12.2020- Rs.12,000

Sales-Rs. 72,450

The number of units manufactured during the year 2020 is 500 Units, the company wants to quote for 2,000 units in the year 2021. The cost of materials has increased by 15% and the direct wages by 10%.

You are required to prepare :

(*a*) Cost sheet for the year 2020 showing various elements of cost per unit and

(*b*) Estimated cost and profit for 2021. Assume that factory overheads will be recovered as a percentage of direct wages and office overheads as a percentage of works cost. Profit percentage will remain the same.