Register Number:

DATE and Session:



**ST. JOSEPH’S UNIVERSITY, BANGALORE-27**

**BBA – III SEMESTER**

**SEMESTER EXAMINATION: October 2023**

**(Examination Conducted in November/December 2023)**

**BA3223: Cost Accounting**

Time- 2 hrs Max Marks-60

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

**(For Current Batch Students Only)**

**Section A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. Define cost accounting.
2. What is the difference between fixed and variable costs?
3. Give the meaning of JIT.
4. What does overhead cost control mean?
5. State the meaning of ‘overtime’.
6. Give any two reasons for difference in cost and financial accounting.

**Section B**

**II.** Answer ***any four*** of the following (**4x5 = 20 Marks)**

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

|  |  |
| --- | --- |
| Cost | Amount |
| Repairs | 3,000 |
| Depreciation | 4,500 |
| Supervision | 2,400 |
| Insurance on Stock | 5,000 |
| Rent | 8,000 |

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 | - | - |

Calculate the cost apportioned to various departments

1. From the following particulars given below compute Machine hour rate for a machine.

a. Cost Rs. 48,000

b. Scrap value Rs. 8,000

c. Estimated Working life of the machine 40,000 hours

d. Estimated cost of repairs and maintenance during the whole life of the machine Rs. 4,000

e. Standard charges of the shop for 4 weekly period Rs. 3,000

f. Working hours in 4 weekly period 200 hours

h. Power used per hour 6 units at 10 paise per unit.

1. The following data pertain to Material S:

Re-order period 2 to 4 months

Maximum 600 units per month

Minimum 200 units per month

Average 400 units per month

Monthly 1,250 units

Storage cost is 40%, ordering costs are Rs.1,200 per order. Price per unit is Rs.250.

Compute the various stock levels.

1. Calculate the earnings of two workers under

a. Taylors plan and b. Merricks plan

Time rate Rs.3 per hour

Standard Output per hour 6 units

Differential rates are-

a. Low piece rate at 80% of normal piece below the standard

b. High piece rate at 120% of normal piece above the standard.

In a day of 8 hrs. A produced- 45 units, B- 75 Units.

1. Write a note on the role of a cost accountant.

**Section C**

**III.** Answer ***any two*** of the following (**2x10 = 20 Marks)**

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 | |
| A | B | C | X | Y |
| 9,000 | 8,000 | 3,000 | 4,500 | 2000 |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | Production Department | | | Service Department | |
| A | B | C | X | Y |
| X | 40% | 30% | 20% | - | 10% |
| Y | 30% | 30% | 30% | 10% | - |

Prepare a statement showing the distribution of service department by using simultaneous equation method.

1. From the following particulars, write up the stores ledger card using simple and weighted average method:

January 1. Opening stock 2,000 units at Rs. 5 each

5th January- Purchased 1,800 units at Rs. 6 each

10th January- Issued 2,400 units

12th January- Purchased 1,600 units at Rs. 6.20 each

15th January- Purchased 600 units at Rs. 6.40 each

19th January- Issued 800 units

22nd January- Issued 1,200 units

27th January- Purchased 400 units at Rs. 6.50 each

1. During the year ended 31 March 2022, the cost books showed a profit of Rs. 2,07,800. From the following figures prepare a reconciliation statement and Memorandum Reconciliation Account.

1. Opening stock overvalued in cost accounts Rs. 14,000

2. Closing stock undervalued in cost accounts Rs. 18,400

3. Factory overheads under-recovered in cost accounts Rs. 10,000

4. Administration expenses over-recovered in cost accounts Rs. 3,000

5. Selling and distribution expenses under-recovered cost accounts Rs. 6,600

6. Depreciation over-recovered in cost accounts Rs. 6,000

7. Interest on investment not included in cost accounts Rs. 20,000

8. Obsolescence loss relating to machineries charged in financial accounts Rs. 9,800

9. Income tax provided in financial accounts Rs. 1,00,000

10. Bank interest credited in financial accounts Rs. 6,000

11. Stores adjustments (debited in financial book) Rs. 3,000

**Section D**

**III. Answer the following (1x10=10 Marks)**

**15.** The following data is furnished by a company in the year 2021.

Stock of materials on 1/1/2021 Rs. 70,000

Stock of Materials on 31/12/2021 Rs. 10,000

Purchase of materials Rs. 1,00,000

Direct wages Rs. 2,00,000

Factory expenses Rs. 36,000

Administration expenses Rs. 44,000

Opening stock of finished goods on 1/1/2021 is Nil

Closing stock of finished goods on 31/1/2021 Rs. 40,000

Sales Rs. 5,00,000

Production during the year was 4,000 units.

The company wants to quote for a contract for supply of 1,000 units during the year 2022. During 2022 the cost of materials will increase by 15% and that of Direct wages 10%.

Prepare a statement of cost and profit for the year 2021 and a tender statement for the year 2022 showing the price to be quoted per unit; if the same percentage of profit is maintained as in the previous year. Assume factory overhead and administration overhead charges per unit will be the same as in 2022.