

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**



**B.B.A.DEGREE EXAMINATION –BUSINESS ADMINISTRATION**

**FIFTH SEMESTER – APRIL 2018**

**BU 5504– COST ACCOUNTING**

Date: 04-05-2018  
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

**Part – A**

**Answer all Questions:**

**(10 x 2 = 20 Marks)**

1. Define 'cost Accounting'.
2. Write a note on cost centre.
3. Pankajam travels employs 5 buses which run over a route of 140 km (one way) making one round trip per day. The buses run 360 days per year and 10 % of them on average are laid out for repairs. Ascertain the total running kilometers per year.
4. Write a note on Labour turnover.
5. Distinguish between joint product and By-Product.
6. Find out quotation for Job No. 1001.  
Cost of sales Rs.15,000 and profit 20% on sales.
7. Calculate the straight piece rate.  
Normal rate per hour Rs.1.80  
Standard time per unit – 20 seconds  
Worker production per day – 1,300 units.
8. Calculate the maximum stock level:  
Reorder level : 4,000 kg; Reorder quantity: 2,500 kg; Minimum reorder period: 6 weeks; Minimum consumption per week :300 kgs.
9. Net loss as per cost accounts Rs.1,00,000  
Works overhead under-recovered in cost accounts Rs.10,000  
Interest on investments received Rs.3,000  
Selling and distribution overheads over-recovered in cost accounts Rs.5,000  
Calculate profit as per financial accounts from the above information.
10. Compute Economic Batch quantity through E.B.Q. formula.  
Annual demand 2,500 units; Selling up cost Rs.250; cost of production per unit Rs.250; Rate of interest 20% p.a.

**Part – B**

**Answer any Four Questions :**

**(4x10=40 Marks)**

11. Write the differences between Financial Accounting and Cost Accounting.  
12. What are the merits and Demerits of Job Costing?  
13. From the following data relating to the manufacture of a standard products during the month of September 1983.

prepare a statement showing the cost and profit per unit:

Raw materials used	Rs.20,000
Direct wages	Rs.12,000
Man hours worked	9,500 (hours)
Man hour rate	Rs.2 per hour
Office overheads	20 % on work cost
Selling overheads	0.50 per unit
Units produced	20,000 units
Units sold	18,000 @ Rs.5 per unit

14. In a truck load, the following materials were received:

<b>Code No.</b>	<b>Material</b>	<b>Quantity</b>	<b>Rate</b>
M2010	Carbon Black	3,050 Kgs.	Rs.4.00 per kg
P5025	S.H. Phosphate	2,060 Kgs.	Rs. 3.00 per kg.

Sales tax was charged at 5%

Railway freight   Rs.1,050

Transport charges   Rs.100

Loading & Unloading   Rs.50

The goods received Note received from the store keeper showed the following quantity

M2010 - 3,000 kgs.

P5025 - 2,000 kgs.

From the above figures you are required to calculate the purchase rate per kg. of Carbon Black and S.H. Phosphate.

15. From the following work out the earnings for the week of a worker under.

- (a) Straight piece-rate
- (b) Differential piece rate
- (c) Halsey premium system
- (d) Rowan system

Number of working hours per week 48

Wages per hour Rs.3.75

Normal time per piece 20 minutes

Rate per piece Rs.1.50

Normal output per week 120 pieces

Actual output for the week 150 pieces.

Differential piece rate: 80% of piece –rate when output is below standard and 120 % when above standard.

16. From the following figures prepare a reconciliation statement between cost and financial records:

Net profit as per financial records	Rs.1,28,755
Net profit as per costing records	Rs. 1,72,400
Work overhead under-recovered in costing	Rs.3,120
Administrative overhead recovered in excess	Rs.1,700
Depreciation charged in financial records	Rs.11,200
Depreciation recovered in costing	Rs.12,500
Interest received but not included in costing	Rs.8,000
Obsolescence los charged in financial records	Rs.5,700
Income tax provided in financial books	Rs.40,300
Bank interest credited in financial books	Rs.750
Stores adjustment (credit in financial books)	Rs.475
Depreciation of stock charged in financial books	Rs.6,750

17. A company has three production departments and two service departments their respective expenditures are given below:

**Production Department**

**Service Department**

A Rs.800

X = Rs.234

B Rs.700

C Rs.500

Y= Rs.300

Service Departments given service in the following manner to various departments.

<b>Service department:</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>X</b>	<b>Y</b>
X	20%	40%	30%	--	10 %
Y	40%	20%	20%	20%	--

You are required to show the distribution of service department overheads under simultaneous equation method.

**Part – C**

**Answer any Two Questions**

**(2x20=40 Marks)**

18. Explain the Advantages and disadvantages of cost Accounting.
19. Discuss causes for and effects of Labour Turnover.
20. From the following particulars prepare stores ledger account showing the pricing of materials issues under **Simple average method** and **weighted average method**.

2-8-83	Opening stock	800 units at	Rs.4.20
3-8-83	Purchased	800 units at	Rs.4.20
4-8-83	Issued	1,200 units	
6-8-83	Purchased	1,600 units at	Rs.4.80
7-8-83	Issued	1,000 units	
9-8-83	Purchased	400 units at	Rs.6
11-8-83	Issued	800 units	
13-8-83	Issued	100 units	
15-8-83	Purchased	500 units at	Rs.8

21. The following details are extracted from the costing records of an oil mill for the year ended 31<sup>st</sup> March 2011.

Purchase of 5,400 tons of coconut for Rs. 2,20,000.

<b>Particulars</b>	<b>Crushing</b>	<b>Refining</b>	<b>Finishing</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Cost of Labour	2,750	1,100	1,650
Electric Power	660	396	264
Sundry Materials	110	2,200	–
Machinery repairs	308	363	154
Steam	660	495	495
Factory expenses	1,452	726	242
Cost of casks	–	–	8,250

3,200 tons of Crude oil were produces. 2,600 tons of oil were produced by the refining process and 2,550 tons of Refined oil were finished for delivery.

Coconut sacks sold Rs. 440

1925 tons of coconut residue sold for Rs. 12,100.

Loss in weight in crushing process 275 tons.

500 tons of by -products were obtained from refining process at Rs. 7,425.

Prepare the necessary process accounts showing the cost per ton of production at each stage of manufacture.

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