

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

FIFTH SEMESTER – **NOVEMBER 2016**

BU 5504 – COST ACCOUNTING

Date: 01-11-2016

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART-A

Answer **ALL** the following questions:

(10x2=20 marks)

1. What is a cost sheet?
2. What is historical cost?
3. What is JIT purchasing?
4. Calculate the economic order quantity from the following particulars.
Annual usage 20,000 Units
Buying cost per order Rs.10
Cost per unit Rs.100
Cost of carrying inventory 10% of cost
5. Calculate the earnings of a worker under Halsey Plan from the following data:
Standard time 10 hours
Time Taken 6 hours
Rate Rs.2 per hour
6. What is direct labour cost?
7. Calculate machine hour rate for the following
Running hour p.a 2,000 hrs.
Repairs p.a. Rs.160
Rent p.a. Rs. 320
Cost of Machinery Rs. 4000
Depreciation 7 ½ %p.a
8. What is meant by primary distribution of overheads?
9. Define job costing.
10. What is 'Transport costing'?

PART - B

Answer any **FOUR** questions.

(4x10= 40 marks)

11. Discuss the objectives of cost accounting.

12. Find out the economic order quantity and the number and frequency of order per year from the following information.

Monthly consumption 3,000 units.

Cost per unit Rs. 54

Ordering cost Rs. 150 per order

Inventory carrying cost 20% of the average inventory.

13. What is Labour Turnover? Explain the methods of measuring the Labour Turnover.

14. Calculate Machine Hour Rate from the following:

a. Cost of machine Rs.19,200

b. Estimated scrap value Rs.1,200

c. Repair charges per month Rs.150

d. Standing charges allocation to machine per month Rs.50

e. Effective working life of machine 10,000 hrs

f. Running time per month 166hrs

g. Power used by machine=5 units per hour at 19 paise per unit.

15. Aishwarya travels a transport company is running a fleet of Six buses between two towns 75 kms. apart. The seating capacity of each bus is 40 passengers. The following particulars are available for the month of April 2007.

	Rs.
Wages of driver and conductor	3600
Salaries of office and supervisory staff	1500
Diesel oil, etc.	10320
Repairs and maintenance	1200
Taxes and insurance	2400
Depreciation	3900
Interest and other charges	3000

The actual passengers carried were 80% of the capacity. All the buses run all the days in the month. Each bus made one round trip per day. Find out the cost per passenger kilometer.

16. The following is the information relating to contract No. 999.

Particulars	Rs.
Contract price	6,00,000
Wages	1,64,000
General expenses	8,600
Raw materials	1,20,000
Plant	20,000

As on date, cash received was Rs.2,40,000 being 80% of work certified. The value of material remaining at site was Rs.10,000. Depreciation plant by 10%. Prepare contract Account showing profit to be credited to P&L A/c.

17. Explain the different types of cost.

PART - C

Answer any **TWO** questions.

(2x20= 40 Marks)

18. On August 15, 1991 a manufacturer Ganesan desired to quote for a contract for the supply of 500 radio sets. From the following details, prepare a statement showing the price to be quoted to give the same percentage of net profit on turnover as was realised during 6 months ending on 30 June 1991 :

Material as on 1/1/1991	20,000
Material as on 30/6/1991	25,000
Purchase of material during 6 months	1,50,000
Factory wages during 6 months	1,20,000
Indirect charges during 6 months	25,000
Opening stock of completed sets	Nil
Closing stock of completed sets	100
Sales during 6 months	3,24,000

The number of radio sets manufactured during these six months was 1450 sets including those sold and those stocked at the end of the period. The radios to be quoted are of uniform quality and size as were manufactured during six months to 30/6/1991. From August 1, the cost of factory labour has gone up by 10%.

19. The following information is extracted from the store ledger:

Jan.

1. Opening Balance	500 units at Rs.4
5. Purchases	200 units at Rs.4.25
12. Purchases	150 units at Rs.4.10
20. Purchases	300 units at Rs.4.50
25. Purchases	400 units at Rs.4

Issues of Materials were as follows:

Jan.

4.	200 Units
10.	400 units
15	100 units
19.	100 units
26.	200 units
30.	250 units

Issues are being priced on the principle of 'FIFO' method. Write the store ledger account.

20. The following particulars relate to a manufacturing company which has three department A,B,C and two service departments X and Y.

	Department				
	A	B	C	X	Y
	Rs	Rs	Rs	Rs	Rs
Total department overheads as per primary distribution	16,000	13,000	14,000	4,000	6,000

The company decided to charge the service department cost on the basis of the following percentage

	Production Dept			Service dept	
	A	B	C	x	Y
X	20%	25%	35%	-	20%
Y	25%	25%	40%	10 %	-

Find the total overhead of production departments on the Repeated Distribution method.

21. Discuss the advantages and limitations of process costing.
