



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

THIRD SEMESTER – NOVEMBER 2017

16UBU3MC01 – COST ACCOUNTING

Date: 04-11-2017

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART – A

ANSWER ALL QUESTIONS:

(10*2=20 MARKS)

1. Define Cost Accounting.
2. Mention any four advantages of Cost Accounting to the Management.
3. What is Material Cost?
4. Define Overhead.
5. What is Bincard?
6. Mention the elements of Cost.
7. Calculate Machine hour rate, when the factory overhead is `48,000 and machine hours is 20,000.
8. Calculate the Cost of Material Consumed, when opening stock of material is `10,000, purchase of material is `52,000 and closing stock of material is `6,000.
9. Given Factory Overhead and Direct Material are `3,00,000 and `5,00,000 respectively. Calculate Direct Material percentage rate.
10. Calculate the economic batch quantity for a product using batch costing from the following details:
Annual demand for the product = 2,000 units
Set up cost per batch = `10
Cost of carrying inventory per unit = Re. 1

PART – B

ANSWER ANY FOUR QUESTIONS:

(4*10=40 MARKS)

11. Distinguish between Financial Accounting and Cost Accounting.
12. From the following information prepare a Cost Sheet for the month of Dec. 1985.

Particulars	`
Stock on hand – 1 st Dec.1985 Raw Materials	25,000
Finished Goods	17,300
Stock on hand – 31 st Dec. 1985 Raw Materials	26,200
Finished Goods	15,700
Purchase of raw materials	21,900
Carriage on purchases	1,100
Work – in – progress 1.12.1985 at works cost	8,200

Work – in – progress 31.12.1985 at works cost	9,100
Sale of finished goods	72,300
Direct wages	17,200
Non -productive wages	800
Direct expenses	1,200
Factory overhead	8,300
Administrative overheads	3,200
Selling and distribution overheads	4,200

13. Mr. A worker in a factory is paid on time basis. During the month of October 1999 he has worked for 200 hours. His hourly wage rate is `10 per hour. Mr. B another employee of the company is paid on the basis of piece wages. During the month of January 1999 his output was 1,000 units. Rate of wages per piece is `3. Calculate the wages of respective workers for the month of October 1999.
14. Discuss the General principles of Cost Accounting.
15. Explain the requisites of a Good Costing System.
16. Prepare a Cost Sheet from the following data:

Particulars	`	`
Direct material consumed		50,000
Direct wages paid		40,000
Chargeable expenses		10,000
Indirect materials:		
Used in factory	8,000	
Used in office	12,000	
Used in selling	6,000	
Used in distribution	4,000	30,000
Indirect labour:		
In factory	15,000	
In office	20,000	
In selling	18,000	
In distribution	12,000	65,000
Indirect expenses		
Relating to factory	6,000	

Relating to office	3,000	
Relating to selling	1,000	10,000

17. From the following particulars, prepare stores ledger by adopting simple average method of pricing of material issues.

Date	Receipts	Issues
1990 Jan. 1	300 units at `10 per unit	
10	200 units at `12 per unit	
12	400 units at `11 per unit	
15		250 units
16		150 units
18	200 units at `14 per unit	
20		300 units
22	300 units at `15 per unit	
25	100 units at `16 per unit	
27		200 units
31		100 units

PART – C

ANSWER ANY TWO QUESTIONS:

(20*2=40 MARKS)

18. Explain the Classifications of Cost.

19. The cost of manufacturing 5,000 units of a commodity comprises:

- Materials `20,000
- Wages `25,000
- Chargeable expenses `400
- Fixed factory overheads `16,000
- Variable factory overheads `4,000

For manufacturing every 1,000 extra units of the commodity the cost of production increases as follows:

- Materials : proportionately
- Wages : 10% less than proportionately

- c. Chargeable expenses : no extra cost
- d. Fixed overheads : `200 extra
- e. Variable overheads : 25% less than proportionately

Calculate the estimated costs of producing 8,000 units of the commodity and show by how much it would differ if a flat rate of factory overhead based on wages were charged.

20. From the particulars given below write up the stores ledger card:

1998 January 1 opening stock	1,000 units at `26 each
5 Purchased	500units at `24.50 each
7 Issued	750 units
10 Purchased	1,500 units at `24 each
12 Issued	1,100 units
15 Purchased	1,000 units at `25 each
17 Issued	500 units
18 Issued	300 units
25 Purchased	1,500 units at `26 each
29 Issued	1,500 units

Adopt the FIFO method of issue and ascertain the value of the closing stock.

21. A manufacturing concern has three production departments and two service departments. In July 1990, the departmental expenses were as follows:

Production Departments	
A	16,000
B	13,000
C	14,000
Service Departments	
X	4,000
Y	6,000

The service department expenses are charged out on a percentage basis, viz,

	A	B	C	X	Y
Expenses of department x	20%	25%	35%	-	20%
Expenses of department y	25%	25%	40%	10%	-

Prepare a statement of secondary distribution under repeated distribution method.
