LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

THIRD SEMESTER – NOVEMBER 2019

16/17/18UBU3MC01 – COST ACCOUNTING

Date: 29-10-2019   Dept. No.   Max. : 100 Marks
Time: 01:00-04:00

Section A (10 X 2 =20 marks)

Answer all the Questions.

1. What are the elements of cost?
2. What is a cost sheet?
3. What is labour turnover?
4. Calculate the economic order quantity from the following particulars:

    Annual usage   90,000 Units
    Buying cost per order   Rs.10
    Cost per unit   Rs.50
    Cost of carrying inventory 10% of cost

5. Calculate the earnings of a worker under Rowan Plan from the following data:

    Standard time 36 hours
    Time Taken   30 hours
    Rate   Rs.10 per hour

6. Define overheads.
7. What is cost plus contract?
8. Ascertain the amount of profit taken to P&L account:

Notional profit Rs.60, 000, Cash received 80% of Work certified, Contract Price Rs.10,00,000.work certified Rs.8, 00, 000

9. Write short note on semi- variable overheads.
10. What is batch costing?

Section B (4X10 =40 marks)

Answer any Four Questions.

11. Calculate works cost from the following:

	Rs.
Materials	60,000
Labour	40,000
Direct expenses	10,000
Factory overheads	50,000
Work-in-progress:	
Opening stock	10,000
Closing stock	8,000

12. Explain the features, objectives and prerequisites of Job Costing.

13. Calculate the labour turnover by applying three methods.

There were 8000 workers in a factory on 1.1.2018. Number of workers in the factory on 31.12.2018 were 8200 . New entrants in service during the year were 400 and leavers were 200.

14. Calculate the machine hour rate

	Rs.
Cost of machine	8000
Cost of installation	2000
Scrap value after 10 years	2000
Rent for a quarter	300
General lighting per month	20
Salary of supervisor per quarter	100
Insurance premium for a machine p.a.	60
Repair charges p.a.	100

Power - 2units per hour at 5 paise per unit

Estimated working hours per year -2000

15. Discuss the objectives of cost accounting.

16. Discuss the advantages of JIT purchasing.

17. Two components X and Y were used as follows :

Normal usage 300 units per week each

Minimum usage 150 units per week each

Maximum usage 450 units per week each

Reorder quantity   X- 1200 units   Y- 1000 units

Reorder period X-   2 to 4 weeks

Y-   3 to6 weeks

Calculate re-order level, maximum level, minimum level and average stock level.

Section C (2 X 20 = 40 marks)

Answer any TWO questions.

18. Distinguish between financial accounting and cost accounting.

19. 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. As from August 1, the cost of factory labour has gone up by 10%.

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

2018 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.

21. 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
Overheads	Rs	Rs	Rs	Rs	Rs
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 basic 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.

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