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**III Semester B.B.A. Degree Examination, April - 2023**

**BUSINESS ADMINISTRATION**

**Cost Accounting**

**Paper : B.B.A. - 3.1**

**(NEP Scheme Regular)**

**Time : 2½ Hours**

**Maximum Marks : 60**

**Instructions to Candidates:**

Answers should be only in English.

**Section - A**

Answer any **five** of the following questions. Each question carries **two** marks. (5×2=10)

1. a. What is a cost center?
- b. Mention any two disadvantages of cost accounting.
- c. Give two importance of material costing.
- d. What is idle time?
- e. Give two demerits of piece rate system.
- f. Define overhead.
- g. What is a cost sheet?

**Section - B**

Answer any **four** of the following questions. Each question carries **five** marks. (4×5=20)

2. Explain in brief any five advantages of cost accounting.
3. A pharmaceutic Co., makes a special product Bipap machine. The following particulars were collected for the year 2022.

Cost of placing an order	Rs. 100
Yearly carrying cost per unit	Rs. 15
Normal usage	50 units per week
Minimum usage	25 units per week

Maximum usage

Re - order period

From the above information calculate :

- a. Re-order quantity.
- b. Re - order level.
- c. Minimum level.
- d. Maximum level.
- e. Average stock level.

4. Srisanga a worker takes 9 hours to conclude a job on daily wages and 6 hours on a scheme of payment by outcomes. Her day rate is 75 paise for 60 minutes, the material cost of the product is Rs. 4 and the overheads are recorded @ 150% of total direct wages.

Find out the factory cost of the product under :-

- i) Rowan plan.
- ii) Halsey plan and
- iii) Piece work plan.

5. Compute a machine hour rate of machine No. 101 for the month of February 2023, from the following information.

i) Cost of machine	Rs. 32,000
ii) Effective working life	10,000 hours
iii) Standing charges allocated to this machine for february 2023 is	Rs. 400
iv) Power consumed by the machine at 0.30 per unit	Rs. 600
v) Repairs and maintenance over the life period of machine	Rs. 2,500
vi) Estimated scrap value	Rs. 2,000
vii) The machine consumes 10 units of power per hour.	

6. Raman company is about to send a tender for a plant. The costing department estimates that the material required for its production would cost Rs. 20,000, and wages for making the plant would cost Rs. 12,000 Tender is to be build keeping a net profit of 20% on the selling price, works overhead @ 22% on wages and office expenses @ 6.66% on works cost.

Compute the amount of tender from the above information.



(3)

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**Section - C**

Answer any **two** of the following questions. Each question carries **twelve** marks.

**(2×12=24)**

7. From the following transactions relating to the receipts and supplies of the material, prepare the stores ledger account for the month of January 2023 on the basis of

- Simple average method and
- Weighted average method.

Receipts :

Date	Quantity	Rate
2023		
January 4 <sup>th</sup>	400 kg	Rs. 10.00 per kg
January 18 <sup>th</sup>	600 kg	Rs. 12.00 per kg
January 22 <sup>nd</sup>	200 kg	Rs. 16.00 per kg

Issues :

January 6 <sup>th</sup>	100 kg
January 20 <sup>th</sup>	200 kg
January 25 <sup>th</sup>	200 kg

8. Saanvi Manufacturing company has three production departments and two service departments. Show how the expenses of the two service departments are to be charged to production departments under :

- Repeated distribution method and
- Simultaneous equation method.

The overhead departmental distribution summary shows the following.

Departments	Rs.
X	6,50,000
Y	6,00,000
Z	5,00,000
1	1,20,000
2	1,00,000

The service department expenses are allotted on a percentage basis as follows.

	Production departments			Service departments	
	X	Y	Z	1	2
Service department 1	30%	40%	15%	-	15%
Service Department 2	40%	30%	25%	5%	-

**9.** From the following information for the month of september 2022, prepare a cost sheet showing different elements of cost and find out

- a) Prime cost.
- b) Factory cost.
- c) cost of production.
- d) Cost of goods sold.
- e) Cost of sales and
- f) Profit.

<b>Particulars</b>	<b>Rs.</b>
Sales	6,00,000
Stock of raw materials on 1-9-2022	2,25,000
Stock of raw materials on 30-9-2022	2,74,500
Direct wages	1,57,500
Indirect wages	8,250
Work in progress on 1-9-2022	84,000
Work in progress 30-9-2022	1,05,000
Purchases of raw materials	1,98,000
Rent, rates and power (factory)	45,000
Depreciation on plant	10,500
Expenses on purchases	4,500
Carriage outward	7,500
Advertising	10,500
Office rent and taxes	7,500
Travellers wages and commission	19,500
Stock of finished goods on 1-9-2022	1,62,000
Stock of finished goods on 30-9-2022	93,000

**Section - D**

Answer any one of the following questions. Each question carries six marks. **(1×6=6)**

**10.** Name any six documents used for material accounting.

**11.** List out any six items appear under selling and distribution overheads.