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DCBB301

Reg. No.

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**III Semester B.B.A. Degree Examination, March/April - 2024**

**MANAGEMENT**

**Cost Accounting**

**(CBCS NEP Scheme (F+R))**

**Paper : 3.1**

**Time : 2½ Hours**

**Maximum Marks : 60**

**Instructions to Candidates:**

Answers should be written completely in English only.

**SECTION - A**

Answer any **FIVE** sub-questions. Each question carries **2** marks.

**(5×2=10)**

1. a) Define Cost Accounting.  
b) What are Indirect Materials?  
c) From the following find out how much should be ordered each time?  
Annual Consumption 12,000 units  
Cost per unit Rs.1  
Ordering cost Rs.12 per order  
Inventory carrying charge 24%  
d) What is semi fixed cost?  
e) What is Bin card?  
f) Write any four items of selling and Distribution overhead.  
g) State any four elements of Cost Sheet.

**SECTION - B**

Answer any **FOUR** questions. Each question carries **5** marks.

**(4×5=20)**

2. Write any five differences between Cost and Financial Accounts.
3. The following information is available in respect of a particular material  
Reorder quantity - 3600 units  
Maximum consumption - 900 units per week

**[P.T.O.]**



Minimum consumption	-	300 units per week
Normal consumption	-	600 units per week
Reorder period	-	3 to 5 weeks

**Calculate :-**

- i) Reorder level
  - ii) Minimum level
  - iii) Maximum level
  - iv) Average stock level.
4. Calculate wages under Halsey plan (50%) : wage rate per hour Rs. 40, standard time 110 hours, Time Taken 80 hours.
5. From the following figures compute a machine hour rate for machine A & B for a four week period. Each machine is expected to work for 108 hours.

Particulars	Amount Rs.
Rent & Rates	15,000
Lighting	2,000
Depreciation	10,000
Indirect wages	10,000
Power	6,000
Sundries	15,000
Canteen expenses	1,000
Repairs	4,000
<b>Total</b>	<b><u>63,000</u></b>

Particulars	Machines	
	A	B
Space occupied in sq ft	200	400
Light points	20	60
Cost of the machine (Rs.)	2,50,000	1,50,000
No. of workers	20	40
Power actual (Rs.)	5,000	3,000
Direct wages (Rs.)	40,000	60,000



6. From the following figures prepare a cost sheet and profit for the period.  
Raw materials consumed Rs. 40,000, Direct wages Rs. 24,000, machine hours worked 4,000, machine hour rate Rs. 2, office overhead 10% of factory cost, selling overhead Rs. 1.50 per unit, units produced 2000 and units sold 1800 at Rs. 50 each.

**SECTION - C**

Answer any TWO questions. Each question carries 12 marks. (2×12=24)

7. Following particulars relates to Mohith Ltd. for the year 2023

Stock of Raw materials on 1-1-2023	2,25,000
Stock of finished goods on 1-1-2023	2,23,000
Stock of Raw materials on 31-12-2023	2,75,000
Stock of Finished goods on 31-12-2023	3,40,000
Purchase of Raw materials	19,50,000
Productive wages	14,00,000
Works on cost	2,80,000
Office on cost	5,37,000
Sales on cost	2,00,000
Sales	50,00,000

The company has to submit a quotation for a large order. It is estimated that direct materials and Direct labour required would cost Rs. 2,40,000 and Rs. 1,80,000 respectively.

You are required to :

- Prepare a statement of cost and profit for the year 2023.
  - Calculate the Percentage of works on cost to productive wages and office on cost to works cost for the year 2023 and
  - Prepare a statement based on the previous year percentage showing the quotation price for the large order assuming that 20% profit is expected on the quotation price.
8. A factory has three production departments and Two service department the overhead Distribution summary show the following.

	Production Department		Service Department		
	A	B	C	D	E
Total o/h as per primary					
Distribution (Rs.)	80,000	60,000	40,000	20,000	15,000
Expenses of service department are to be charged on percentage basis as follows.					
	A	B	C	D	E
Service department D	35%	25%	20%	-	20%
Service department E	25%	40%	20%	15%	-



Show the expenses of service department are to be charged to production department under

- a) Repeated distribution method
- b) Simultaneous equation method.

9. The following is the record of Receipts and Issue of a certain material in the factory during a week.

**April 2023**

- 1 Opening balance 50 tonnes @ Rs. 10 per tonne
- 2 Issued 30 tonnes
- 3 Received 60 tonnes @ Rs. 10.20 per tonne
- 15 Issued 25 tonnes (stock verification reveals a loss of 1 tonne)
- 21 Received back 10 tonnes (Previously issued at Rs. 9.15 per tonne)
- 23 Issued 40 tonnes
- 27 Received 22 tonnes @ Rs. 10.30 per tonne
- 30 Issued 38 tonnes

Prepare a stores ledger Account under

- A) FIFO method                      B) LIFO method

**SECTION - D**

Answer any ONE question. Each question carries 6 marks.

(1×6=6)

10. Mention the causes of labour turnover in manufacturing organizations.
  11. Prepare a cost sheet with imaginary figures.
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