

0205

B.B.A. IInd Semester, EXAMINATION, 2018

COST ACCOUNTING

Paper - V

Time: Three Hours

Maximum Marks: 80

PART – A (खण्ड – अ)

[Marks: 20]

Answer all questions (50 words each).

All questions carry equal marks.

सभी प्रश्न अनिवार्य हैं। प्रत्येक प्रश्न का उत्तर 50 शब्दों से अधिक न हो।

सभी प्रश्नों के अंक समान हैं।

PART – B (खण्ड – ब)

[Marks: 40]

Answer five questions (250 words each).

Selecting one from each unit. All questions carry equal marks.

प्रत्येक इकाई से एक-एक प्रश्न चुनते हुए, कुल पाँच प्रश्न कीजिए।

प्रत्येक प्रश्न का उत्तर 250 शब्दों से अधिक न हो।

सभी प्रश्नों के अंक समान हैं।

PART – C (खण्ड – स)

[Marks: 20]

Answer any two questions (300 words each).

All questions carry equal marks.

कोई दो प्रश्न कीजिए। प्रत्येक प्रश्न का उत्तर 300 शब्दों से अधिक न हो।

सभी प्रश्नों के अंक समान हैं।

PART – A

1. (a) State five names of industries where Process Costing Method is applied.
- (b) Which method of pricing of issue of material will be applied in the following cases –
 - (i) Under the conditions of rising prices
 - (ii) Under the condition of decreasing prices
- (c) Differentiate between Halsey Premium Plan and Rowan Premium Plan.
- (d) How will you calculate bonus under Emerson Efficiency Plan.
- (e) Define Overhead.
- (f) What is the difference between Normal expenses and Abnormal expenses from the Cost Accounting Point of view?
- (g) A Hotel having 100 rooms of which 80% are normally occupied in summer and 25% in winter. Period of summer will be taken as 6 months each and normal days in a month be assumed to be 30. Calculate total occupied room days.
- (h) Give the basic difference between Absolute Tonne Kilometre and Commercial Tonne Kilometre.
- (i) Contract Price ₹ 40,00,000, Cost up to date ₹ 20,80,000, work completed $\frac{2}{3}$ of Contract Price, work certified $\frac{1}{2}$ of the Contract Price and cash received 90% of work certified. What amount of profit will be transferred to Profit and Loss Account?
- (j) Explain “Escalation clause” in the context of contract costing.

UNIT –III

4. What do you understand by Allocation Apportionment and Absorption of overheads?

OR

Explain the different methods of Absorption of factory overheads.

UNIT –IV

5. From the following prepare a statement showing cost of goods manufactured and sold and profit earned –

Inventory stocks

	April 1, 2017	April 30, 2017
Raw material	₹ 8,000	₹ 8,600
Work - in - progress	₹ 8,000	₹ 12,000
Finished goods	₹ 14,000	₹ 18,000

Other information:

- (a) Direct labour cost ₹ 16,000 (160% of factory overhead):
- (b) Office expenses ₹ 2,600;
- (c) Selling expenses ₹ 3,400;
- (d) Cost of goods sold ₹ 56,000;
- (e) Sales ₹ 75,000

OR

Explain –

- (a) Cost Centre
- (b) Cost Driver
- (c) Activity
- (d) Cost Pool

UNIT -V

6. The following details are available in respect of Process A:

Input 4,000 units

Output 3,800 units

Normal loss 10% of input

Realisable value of scrap ₹ 2.50 per unit

Total Process Cost ₹ 46,000

Prepare:

- (a) Process A Account
- (b) Normal Loss Account
- (c) Abnormal gain Account

OR

What are the different methods of calculating profit on an incomplete contract?

Explain with illustrations.

PART - C

7. Banswara Ltd. is the manufacturer of picture tubes for T.V.. Details of its operations during the year 2017-18 are as follows -

Ordering Cost	₹ 100 per order
Inventory Carrying Cost	20% per annum
Cost per tube	₹ 520
Minimum Usage	50 tubes per week
Maximum usage	200 tubes per week
Normal usage	100 tubes per week

Lead time to supply 6-8 weeks

You are required to find out following information:

- (i) Economic Order Quantity
- (ii) If the supplier is ready to supply the required quarterly consumption of units at a discount of ₹ 5 per unit, is it worth accepting?
- (iii) Re- Order Level
- (iv) Maximum level of stock
- (v) Minimum level of stock

8. In a factory bonus is paid according to Rowan System. For one job, standard hours for the job is 80 and rate of wages is ₹ 2 per hour. Prime cost of the job performed by one worker is ₹ 350 and cost of direct material and direct expenses is ₹ 200. Find out actual time taken by workers to perform the job.
9. How can overheads be classified? Explain fixed, variable and semi variable overheads in detail.
10. A company manufacturing two products; submits the following for a year:

Product	Actual output (in units)	Total Machine Hours	Total No. of Purchase orders of material	Total No. of set ups
A	5,000	20,000	160	20
B	60,000	1,20,000	384	44

The annual overheads are as under –

Machine Volume Related Activity Costs ₹ 5,50,000

Machine Set – up Related Costs ₹ 8,20,000

Material Purchase Related Costs ₹ 6,18,000

You are required to calculate the cost per unit of each product A and B based on –

- (i) Traditional Method of charging overheads based on Machine Hour Rate.
- (ii) Activity Based Costing Method.

11. Explain clearly the difference between joint product and by product and what are the different methods of apportionment of joint cost.
