

END TERM EXAMINATION

SECOND SEMESTER [BBA] APRIL - MAY 2019

Paper Code: BBA-102

Subject: Cost Accounting

(Batch 2017 Onwards)

Time: 3 Hours

Note: Attempt any five questions. All questions carry equal marks. Maximum Marks: 75

- Q1 "Costs may be classified in a variety of ways according to their nature and the information needs of the management." Explain and discuss this statement giving examples of classifications required for different purposes.
- Q2 A company manufactures 5,000 units of a product per month. The cost of placing an order is Rs. 100. The purchase price of the raw material is Rs. 10 per kg. The re-order period is 4 to 8 weeks. The consumption of raw materials varies from 100 kg to 450 kg per week, the average consumption being 275 kg. The carrying cost of inventory is 20% per annum. You are required to calculate-
- Re-order Quantity
 - Re-order Level
 - Maximum Level
 - Minimum Level
 - Average Stock Level
- Q3 Find out the remuneration of a worker on the basis of (a) Day Rate, (b) Piece Work Rate, (c) Halsey Scheme, (d) Rowan Scheme, from the following information:
- Parwat Singh
40
1 April, 2010 at 8 a.m.
5 April, 2010 at 12 Noon
Production of 540 units
500 units
10 units per hour
Rs. 3 per hour
40% of time saved
- Name of Worker
 - Ticket No.
 - Work start time
 - Work finish time
 - Work allotted
 - Work done and approved
 - Time and units allowed
 - Wage Rate
 - Bonus
 - Worker worked for 9 hours a day.

Q4 Sachin Limited has three manufacturing departments 'A', 'B' and 'C' and one service department 'S'. The following particulars are available for one month of 25 working days of 8 hours each day. All departments work all days with full attendance.

Expenses	Total (Rs.)	Production			Service Dept.	
		A (Rs.)	B (Rs.)	C (Rs.)	S (Rs.)	
Power and Lighting	1,100	200	300	360	240	
Supervisor's Salary	2,000	-	-	-	-	
Rent	500	-	-	-	-	
Welfare Expenses	600	-	-	-	-	
Other Expenses	1,200	200	400	400	200	
Supervisor's Salary		30%	30%	20%	20%	
No. of Workers		3	4	2	1	
Floor area sq. metre		60	80	60	50	
Service rendered by Dept.		50%	30%	20%		
Service rendered to Dept.						
Production Department						

Calculate the Labour Hour Rate for each of the departments A, B and C. P.T.O.

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Q5 The cost of making 40 pianos of which 20 are of Grade A and 20 are of Grade B is Rs. 80,000. Pianos of Grade B cost 55% and Pianos of Grade A cost 45% of the total.

Ascertain the cost of each grade and add thereto 10 percent for indirect expenses. Transport and space in the showroom cost Rs. 60 per piano. Selling expenses and advertising are 10 percent of the selling price which is Rs. 3,150 in the case of Grade A and 3,885 in the case of Grade B. Write up a Cost Sheet showing the percentage of profit on total cost and selling price respectively on each Grade.

Q6 The product of a company passes through three distinct processes to completion. They are known as A, B and C. From past experience it is ascertained that wastage is incurred in each process as under:

Process A 2%; Process B 5%; Process C 10%.

In each case, the percentage of wastage is computed on the number of units entering the process concerned.

The wastage of each process possesses a scrap value. The wastage of process A and B is sold at Rs. 5 per 100 units and that of process C at Rs. 20 per 100 units.

The output of each process passes immediately to the next process and the finished units are passed from Process C into stock.

The following information is obtained:

	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Materials consumed	6,000	4,000	2,000
Direct Labour	8,000	6,000	3,000
Manufacturing expenses	1,000	1,000	1,500

20,000 units have been issued to Process A at a cost of Rs. 10,000. The output of each process has been as under:

Process A 19,500; Process B 18,800; Process C 16,000.

There is no work-in-progress in any process.

Prepare Process Account making the calculations to the nearest rupee.

Q7 Write notes on:-

- Job v/s Batch Costing
- Escalation Clause
- Contract Profit and Loss A/C

Q8 Write notes on:-

- Normal profits
- Process Costing
- Abnormal loss
