



BRAINWARE UNIVERSITY

Term End Examination 2018 - 19

Programme –Bachelor of Business Administration

Course Name –Basic Cost Accounting

Course Code –BBA203

(Semester – 2)

Time allotted:3 Hours

Full Marks : 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group –A

(Multiple Choice Type Question)

10 x 1 = 10

1. *Choose the correct alternative from the following*
 - (i) An average cost is also known as:

a. Variable cost	b. Unit cost
c. Total cost	d. Fixed cost
 - (ii) While calculating the EOQ, number of orders is calculated by:

a. Dividing required unit by ordered quantity	b. Multiplying the required units with ordered quantity
c. Multiplying the ordered quantity with cost per order	d. Multiplying the required units with cost per order
 - (iii) Total unit costs are

a. Independent of the cost system, used to generate them	b. Needed for determining product contribution
c. Irrelevant in marginal analysis	d. Relevant for cost-volume-profit analysis
 - (iv) While constructing a Break even chart, the gap between sales line and variable cost line shows which of the following?

a. Fixed cost	b. Break-even point
c. Contribution margin	d. Variable cost
 - (v) Selling and distribution overhead does not include

a. Cost of warehousing	b. Repacking cost
c. Transportation cost	d. Demurrage charges
 - (vi) The salary of factory clerk is treated as

a. Direct labor cost	b. Indirect labor cost
c. Conversion cost	d. Prime cost

Group – C

(Long Answer Type Questions)

3 x 15 = 45

Answer any *three* from the following

7. The stock of material held on 1-4-2018 was 400 units @ Rs. 50 per unit. The following receipts and issues were recorded. You are required to draw the Stores Ledger Account, showing how the values of issues would be calculated under LIFO method. 15
- 2-4-2018 Purchased 100 units @ Rs.55 per unit
 6-4-2018 Issued 400 units
 10-4-2018 Purchased 600 units @ Rs.55 per unit
 13-4-2018 Issued 400 units
 20-4-2018 Purchased 500 units @ Rs.65 per unit.
 25-4-2018 Issued 600 units
 10-5-2018 Purchased 800 units @ Rs.70 per unit
 12-5-2018 Issued 500 units
 13-5-2018 Issued 200 units
 15-5-2018 Purchased 500 units @ Rs.75 per unit
 12-6-2018 Issued 400 units
 15-6-2018 Purchased 300 units @ Rs.80 per unit
8. In an Engineering Factory, the following particulars have been extracted for the quarter ended 31st December, 2018. Allocate or apportion the overheads among the various departments on suitable basis and calculate the total overhead expenditure of the respective departments. 15

	Production Depts.			Service Depts.	
	A	B	C	X	Y
Direct Wages (Rs.)	30,000	45,000	60,000	15,000	30,000
Direct Material (Rs.)	15,000	30,000	30,000	22,500	22,500
No. of Workers	1,500	2,250	2,250	750	750
H.P. of Machine	6,000	4,500	3,000	1,500	1,500
Assets Value (Rs.)	60,000	40,000	30,000	10,000	10,000
No. of Light points	10	16	4	6	4
Area Sq. Yards	150	250	50	50	50

	Amount (Rs.)
Power	1,100
Light	200
Stores Overhead	800
Welfare of Staff	3000
Depreciation	30,000
Repairs	6,000
General Overheads	12,000
Rent and taxes	550

9. (a) Explain the concept of cost plus contract 5
- (b) The following information related to a contract for Rs. 12,00,000. The contractor received an amount which is 90% of the value of work certified. Following further information are given as follows. 10

	Amount (Rs.)
Material Issued to the contract	2,85,000
Material Purchased for the contract	91,000
Plant installed at site	1,76,000
Wages paid for the contract	4,62,000
Direct Expenses paid	53,000
Direct Expenses outstanding	6,200
Overhead Expenses paid	39,000

Of the plant and material charged to contract, plant costing Rs. 9,600 and materials costing Rs. 8,400 were lost. Value of work certified is Rs. 9,70,000. Charge depreciation on plant @ 10% p.a.
Prepare Contract Account

10. (a) Underline the uses of Batch Costing. 3
- (b) In a factory, a Product is produced through two processes. On completion, it is transferred to finished stock. From the following particulars prepare Process I and Process II Accounts 12

	PROCESS-I	PROCESS-II
Direct materials (10,000 units) issued	Rs. 40,000	-
Direct labour	Rs. 20,000	Rs. 20,000
Direct Expenses	Rs. 12,000	Rs. 8,600
Production Overhead	100% of Direct Wages	100% of Direct Wages
Normal Loss	10%	5%
Scrap Value per unit	Rs.2	Rs. 4
Output in Units	9,000	8,250

11. From the following particulars relating to the production and sales for the year ended 31st December 2018, prepare a cost sheet. 15

	Amount (Rs.)
stock as on 1.1.2018	
Raw materials	25,000
Work-in-Progress	36,000
Finished Goods [at cost 8,000 units]	144,000
Raw materials purchased	200,000
Freight on Raw Materials	10,000
Machine Hour Rate	3
Machine hour worked : 48,000 hours	
Chargeable Expenses	50,000
Direct Labour	270,000
Administrative Expenses	100,000
Selling Expenses	54,000
Distribution Expenses	36,000
Sales Proceeds of Finished Goods (30,000 units)	900,000
Stock as on 31.12.2018	
Raw materials	45,000
Work-in-Progress	54,000
Finished Goods [at cost 10,000 units]	?

Apply FIFO principle in finished goods valuation.
