

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) $10 \times 1 = 10$ 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 While calculating the EOQ, number of orders is calculated by: (ii) a. Dividing required unit by b. Multiplying the required units with ordered quantity ordered quantity c. Multiplying the ordered d. Multiplying the required units with quantity with cost per order cost per order Total unit costs are (iii) b. Needed for determining product a. Independent of the cost system, used to generate them 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 d. Variable cost c. Contribution margin Selling and distribution overhead does not include (v)

a. Cost of warehousingb. Repacking cost

c. Transportation cost d. Demurrage charges

(vi) The salary of factory clerk is treated as

a. Direct labor costb. Indirect labor cost

c. Conversion cost d. Prime cost

(vii)		n sells bags for R ibution margin pe		e variable	cost for each unit is Rs. 8. Wha	t is the	
	a.	Rs. 6		b.	Rs. 10		
	c.	Rs. 4		d.	Rs. 22		
(viii)	Whic	h one of the follo	wing is the Tra	aditional a	pproach for costing		
	a.	Contribution ap	proach	b.	Absorption costing approach		
	c.	Decision makin	ng approach	d.	Marginal costing approach		
(ix)	mater	in-charge after re rial at its location Bin Card	_	entry in_	None of the given options	ces the	
	c.	Store Ledger C	ard	d.	Stock Ledger		
(x)	What	will be the impac	ct of normal lo	ss on the	overall per unit cost?		
	a.	Per unit cost wi	ill increase	b.	Per unit cost will decrease		
	c.	Per unit cost reunchanged	main	d.	Normal loss has no relation to	unit cost	
			Gro	up – B			
			(Short Answe	r Type Qı	nestions) 3 x	5 = 15	
Ansv	ver any <i>t</i>	three from the following	lowing				
2.					he unit cost is Rs. 6 and inventorder is Rs.150, determine:	ory 5	
	* /	.Q of orders per year e between two co		ers.			
3.	Disting	uish between Cos	t Accounting a	and Finan	cial Accounting	5	
4.	Time allowed for a job is 48 hours; a worker takes 40 hours to complete the job. Time rate per hour is Rs.15. Compute the total earnings of the worker as per Halsey and Rowan Plan.						
5.	Disting	uish between Cos	t Centre and C	Cost Unit.		5	
6.		tinguish between Cost Centre and Cost Unit. 5 m the following particulars calculate: 5 Profit Volume Ratio					
	` /	ak – even point					
	Year	Sales	Profit				
		Rs.	Rs.				
	2017	4,80,000	32,000				
	2018	5,60,000	52,000				

Group - C

(Long Answer Type Questions)

 $3 \times 15 = 45$

15

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.

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.

	ProductionDepts.			ServiceDepts.	
	A	В	C	X	Y
DirectWages (Rs.)	30,000	45,000	60,000	15,000	30,000
DirectMaterial (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
AssetsValue (Rs.)	60,000	40,000	30,000	10,000	10,000
No.ofLightpoints	10	16	4	6	4
AreaSq.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

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9. (a) Explain the concept of cost plus contract

(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.

	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.

(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

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

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

	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.
