



DCBB301

Reg. No.

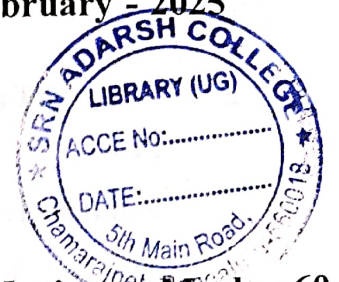
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III Semester B.B.A. Degree Examination January/February - 2025

**BUSINESS ADMINISTRATION**

**Cost Accounting**

(NEP Scheme F+R)



**Time : 2½ Hours**

**Maximum Marks :60**

**Instruction to Candidates:**

**Answers Should be written completely in English.**

**SECTION-A**

**I. Answer any Five of the following questions. Each question carries 2 marks.**

**(5×2=10)**

1. a) What do you mean by cost Accounting?
- b) What is BinCORD?
- c) From the following information Calculate EOQ  
Annual Consumption - 12000 Units.  
Cost per unit Rs. - 1  
Ordering cost Rs 12 per order  
Inventory carrying charge 24%
- d) What is time keeping?
- e) What is cost sheet?
- f) State the basis of Apportionment of
  - i) Motive power
  - ii) Insurance of plant
  - iii) Indirect wages
  - iv) Labour welfare expenses.
- g) What is fixed cost?

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





## SECTION-B

II. Answer any Four of the following questions. Each question carries 5 marks.

(4×5=20)

2. From the following Data Calculate the total earnings under Halsey plan and Rowan Plan.

Standard Time 48 hours

Time rate Rs 20 for hour

Actual Time Taken 40 hours

3. State the difference between Cost Accounting and Financial Accounting.

4. In a manufacturing Concern Particulars of material x is as follows.

Reorder quantity 1800 units.

Maximum consumption 450 units.

Minimum consumption 150 units.

Re-order Period 3-5 weeks

Calculate Re-order level, minimum level, maximum level and average level.

5. From the following Data Calculate Machine Hour Rate

Cost of machine Rs 5,00,000

Installation expenses Rs 50,000

Estimated scrap value after 15 years Rs 25,000

Rent & Rates per Annum Rs 10,000

General lighting per Annum Rs 15,000

Insurance of machine per Annum Rs 48,000

Repairs & maintenance of Machine per Annum Rs 50,000

Supervisor salary per month Rs 30,000

Estimated working hours per Annum 2000 hours

The Machine occupies  $\frac{1}{4}$  of the floor Area and the supervisor Devote  $\frac{1}{5}$ <sup>th</sup> of his time on this machine.





6. Calculate cost of goods sold.

|                                    |           |
|------------------------------------|-----------|
| Direct material                    | Rs 60,000 |
| Direct wages                       | Rs 25,000 |
| Factory overhead                   | Rs 5,000  |
| Opening stock work in progress     | Rs 7,000  |
| Closing stock work in progress     | Rs 3,000  |
| Office and Administration expenses | Rs 41,000 |
| Opening stock of Finished Goods    | Rs 20,000 |
| Closing stock of Finished Goods    | Rs 11,800 |

### SECTION-C

- III. Answer any Two of the following questions. Each question carries 12 marks.

(2×12=24)

7. GMV Factory has three Production Departments and Two Service Departments. The following are extracted from the books.

#### Production Department

#### Service Department

|                   | x     | y     | z     | A     | B     |
|-------------------|-------|-------|-------|-------|-------|
| Primary overheads | 31240 | 50172 | 18188 | 16000 | 10400 |

The expenses of service departments A and B are to be allocated as follows.

|                    |   | x   | y   | z   | A   | B   |
|--------------------|---|-----|-----|-----|-----|-----|
| Service Department | A | 30% | 40% | 10% | -   | 20% |
|                    | B | 20% | 20% | 50% | 10% | -   |

Prepare a statement showing the Distribution of the two Service Department overheads Using

- Repeated Distribution method
- Simultaneous Equation method

8. In respect of Mohith Factory, the following particulars have been extracted for the year 2022.

|                        |             |
|------------------------|-------------|
| Cost of materials      | Rs 6,00,000 |
| Wages                  | Rs 5,00,000 |
| Factory overheads      | Rs 3,00,000 |
| Administration charges | Rs 3,36,000 |

[P.T.O.]





|                      |             |
|----------------------|-------------|
| Selling Charges      | Rs 2,24,000 |
| Distribution charges | Rs 1,40,000 |
| Profit               | Rs 4,20,000 |

A work order has to be executed in 2023, and estimated expenses are materials Rs. 8,000, wages Rs 5000. Assuming that in 2023 the factory overheads will go up by 20%. Distribution Charges will come down by 10% and selling and Administration charges will go up each by 15%. At what price the product to be sold, so as to earn same rate of profit on selling price as in 2022. Factory overheads are based on wages and Administration, selling and distribution overheads on works cost.

9. Chinnu Ltd. Uses copper wire as a raw material which is purchased from the market as and when necessary. The following particulars are available in respect of the Transactions for January 2024.

January 2024

January 1 Opening balance 300 kgs at Rs 25 per kg

January 3 Purchased 500 kgs at Rs 26.60 per kg

January 4 Issued 220 kgs

January 10 Issued 440 kgs

January 20 Purchased 490 kgs at Rs 23 per kg

January 25 Issued 300 kgs

January 27 Surplus 20 kgs returned to stores out of quantity issued on 4<sup>th</sup> January.

Stock verification revealed a shortage of 25 kgs on 15<sup>th</sup> January Prepare stores ledger for the above transactions Under LIFO and FIFO methods.

#### SECTION-D

Answer any ONE of the following question carries 6 marks.

(1×6=6)

10. Mention the causes of Labour Turnover in manufacturing organization.
11. List out the various overheads items under factory, Administrative, selling and Distribution overheads (two item each).