

(i) Printed Pages: 4

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(ii) Questions : 14

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**Bachelor of Business Administration 6<sup>th</sup> Semester  
(2053)**

**COST ACCOUNTING AND ANALYSIS**

**Paper—BBA327**

**Time Allowed : Three Hours]**

**[Maximum Marks : 80**

**Note :—**(1) Attempt any **FOUR** questions from Section A, each question carries **5** marks.

(2) Attempt any **TWO** questions each from Section B and Section C. Each question carries **15** marks.

**SECTION—A**

1. State the limitations of Cost Accounting.
2. Define Cost Classification.
3. What is minimum stock level ?
4. A factory normally produces 2,500 units every month at a total cost of Rs. 50,000. At full capacity, it can produce 3,000 units every month at a cost of Rs. 54,000. Calculate :
  - (i) Average cost per unit under normal operations
  - (ii) Average variable cost per unit
  - (iii) Total fixed cost
  - (iv) Average fixed cost at full capacity.

5. Define cost classification along with steps involved in it.
6. Are high overhead costs an indication of inefficiency ?

### SECTION—B

7. What do you understand by the term Cost Centre ? Explain the factors to be considered while selecting a suitable Cost Centre.
8. Outline the steps in purchasing cycle and also prepare various documents used in it.
9. Following information pertaining to product Alpha is available from cost records :

Stock as on 1<sup>st</sup> January, 2022 :

Finished Stock	4,000 Units
Raw Material	Rs. 5,000
Work in progress	Rs. 19,200

Stock as on 31<sup>st</sup> December, 2022 :

Finished Stock	3,000 Units
Raw Material	Rs. 10,000
Work in progress	Rs. 31,800
Material purchased	Rs. 1,58,000
Carriage on purchase	Rs. 7,000
Indirect material	Rs. 50,700
Direct labour	Rs. 60,000
Indirect labour	Rs. 28,600
Other factory overheads	Rs. 20,300
Administrative overheads	Rs. 13,000



Selling overheads

Rs. 2 per unit

Selling price

Rs. 32 per unit

Prepare statement of cost and profit if 21,000 units are sold. Opening Stock of Finished Goods is to be valued at the same cost per unit as the Finished Stock at the end of the period.

10. (i) Calculate the total wages earned by a workman for a working day of 8 hours under (a) Halsey (b) Rowan Plans : Standard production per hour 20 units; Actual production of the day 200 units; Wage rate per hour Rs. 30.
- (ii) Explain the factors to be kept in mind while adopting a particular type of wage method.

### SECTION—C

11. What is the purpose of classification of overheads ? How such classification is done ?
12. Work out comprehensive machine hour rate for the following machine whose scrap value is Nil :

Details	Amount
Cost of machine	1,90,000
Freight and installation charges	10,000
Working life	Five years
Repairs and Maintenance	40% of depreciation
Annual power expenses	
@ 25 paise per unit	6,000

Eight hourly day charges : (1) Power Rs. 24; (2) Lubricating Oil Rs. 20; (3) Consumable Stores Rs. 28; (4) Wages Rs. 80.

13. What are the requisites of a good method of absorption of factory overheads ?
14. The Standard Cost for producing 180 kgs of a product whose Raw Material inputs are A and B is given below :

Material A 60 kgs at Rs. 10 per kg    Rs. 600

Material B 140 kgs at Rs. 2 per kg    Rs. 280

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Rs. 880

The Actual Prices of A and B were Rs. 12 and Rs. 8 per kg respectively. Consumption of B was 108 kg. The Actual Output at 80% yield was 144 kg. Calculate the following Direct Material Variances – (i) Mix Variances, (ii) Yield Variance, (iii) Price Variance and (iv) Usage Variance.