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(ii) Questions : 14 Sub. Code : 0 9 0 0

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Bachelor of Business Administration 6th Semester

(2040)

COST ANALYSIS AND CONTROL

Paper—BBA 327

~~Time Allowed : Three Hours]~~ **[Maximum Marks : 80**

Note: Attempt 50% of Total Questions of Question Paper. Time: 2 Hours All will carry equal marks. Fraction will be lower digit... from Section B and Section C. Each question carries 15 marks.

SECTION—A

1. From the following particulars, calculate Minimum Stock Level :

Normal usage	100 units per day
Minimum usage	60 units per day
Maximum usage	130 units per day
Economic order quantity	5,000 units
Re-order period	25 to 30 days

2. About 50 items are required every day for a machine. A fixed cost of Rs. 50 per order is incurred for placing an order. The inventory carrying cost per item amounts to Rs. 2 per day. The lead period is 32 days. Compute (a) Economic Order Quantity and (b) Re-order level.

3. How are normal and abnormal idle time treated in cost accounts ?

4. What do you mean by Absorption of Overheads ?

5. What do you mean by Zero Base Budgeting ?

6. Define Standard Costing.

SECTION—B

7. "Evolution of Cost accounting is the outcome of deficiencies in financial accounting system." Discuss.

8. Show the stores ledger entries as they would appear when using :

   (a) Weighted Average method

   (b) LIFO method

April		Units	Value Rs.
1	Balance in hand b/f	300	600
2	Purchased	200	440
4	Issued	150	

April		Units	Value Rs.
6	Purchased	200	460
11	Issued	150	
19	Issued	200	
22	Purchased	200	480
27	Issued	250	

9. What do you mean by Material control ? Discuss different techniques of material control.

10. The standard time allowed for the job is 30 hours. The hourly rate of guaranteed wages is Rs. 15. Because of the saving in time, a worker X gets an hourly wage of Rs. 18 under Rowan Premium Bonus System. For the same saving in time, calculate the hourly rate of wages a worker Y will get under Halsey Premium Bonus System.

SECTION—C

11. Differentiate between allocation and apportionment of overheads. Also discuss different basis of apportionment of overheads with suitable examples.

12. What is budgetary control ? State the main objectives of budgetary control. What are the main steps in budgetary control ?

13. From the information given below, calculate machine hour rate for Machine No. 30.

Cost of machine	Rs. 10,00,000
Installation charges	Rs. 1,00,000
Estimated scrap value after the expiry of its life (15 years)	Rs. 50,000
Estimated working hours per annum	2,000 hours
Rent and Rates for the shop per month	Rs. 20,000
General lighting for the shop per month	Rs. 3,000
Insurance premium for the machine per annum	Rs. 9,600
Repairs and maintenance expenses per annum	Rs. 10,000
Shop supervisor's salary per month	Rs. 6,000
Rate of power per 100 units	Rs. 200

Power consumption — 10 units per hour

The machine occupies 1/4th of the total area of the shop. The supervisor is expected to devote 1/5th of his time for supervising the machine.

14. The standard material required to manufacture one unit of product X is 10 kgs and the standard price per kg of material is Rs. 25. The cost accounts records, however, reveal that 11,500 kg of materials costing Rs. 2,76,000 were used for manufacturing 1,000 units of product X. Calculate material variances.