

OR

G-1828

B.B.A. (IInd Semester)

Examination, May-June, 2023

COST ACCOUNTING

(109)

Time Allowed : Three Hours

Maximum Marks : 90

Note : Attempt all the five questions. One question from each unit is compulsory. All questions carry equal marks.

UNIT-I

- Q. 1.** "The term 'cost' must be qualified according to its context". Discuss this statement referring to important concepts of cost.

G-1828

P.T.O.

- Q. 2.** Distinguish between 'cost accounting' and 'financial accounting' are the same.

UNIT-II

- Q. 3.** What do you mean by elements of cost?
Discuss the various elements of cost.

OR

- Q. 4.** Distinguish between direct material and indirect material.

UNIT-III

- Q. 5.** Describe the prime cost method of absorption of factory overhead. Explain in full and illustrate the basic conditions necessary for its application.

G-1828

(3)

OR

Q. 6. From the following information, prepare a cost sheet for period ended on 31st March, 2006 :

Particulars	Amounts (Rs.)
Opening stock of raw material ✓	12,500
Purchases of raw material ✗	1,36,000
Closing stock of raw material ✓	8,500
Direct wages ✓	54,000
Direct expenses ✓	12,000
Factory overheads ~ 100% of direct wages	
Office and administrative overheads 20% of works cost	
Selling and distribution overheads	26,000
Cost of opening stock of finished goods	12,000
Cost of closing stock of finished goods	15,000
Profit on cost	20%

(4)

UNIT-IV

Q. 7. A product passes through three processes known as process I, II and III. The output of each process is treated as raw material for the next process, and the output of the third process is treated as Finished Product and transferred to Stock.

	Processes		
	I	II	III
Material Issued (Rs.)	40,000	20,000	10,000
Labour (Rs.) 6,000	4,000	1,000	
Manufacturing Overheads (Rs.)	10,000	10,000	15,000
Output (units) 9,750	9,400	8,000	
Normal Loss of Input	2%	5%	10%

(5)

10,000 units were issued to process 1 in the beginning. No stock of materials or WIP was left at the end. Calculate the cost of finished product.

OR

Q. 8. The following was the expenditure on the contract for Rs. 6,00,000. Work commenced on 1st January, 2015 :

Materials Rs. 1,30,000

Wages Rs. 1,44,000

Plant Rs. 20,000

Other Expenses Rs. 18,600

Cash received on account was Rs. 2,40,000, being 80% of work certified.

(6)

Value of materials on hand at 31st December, 2015 was Rs. 10,000.

Plant is to be depreciated @10%.

Prepare Contract Account for 2015, showing the profit to be credited to Profit and Loss Account.

UNIT-V

Q. 9. Standard cost of a product in a factory is predetermined as follows :

Material (5 units @ 4 each)	20
Labour (20 hours @ 1.50 per hour)	30
Overhead expenses	10
Total	60

During a period, 8,000 units were produced whose actual cost was as follows :

(7)

Material (40,500 units @ 5 each)	2,02,500
Labour (1,50,000 hours @ 1.60 each)	2,40,000
Overhead expenses	90,000
Total	5,32,500

Prepare a statement showing standard cost,
actual cost and variances.

OR

Q. 10. What are the similarities and discrimination
between budgets and standards ? Discuss the
essentials of a effective budgetary control
system.
