



WEST BENGAL STATE UNIVERSITY

BBA Honours 2nd Semester Examination, 2021

BBAACOR04T-BBA (CC4)

COST AND MANAGEMENT ACCOUNTING

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.
All symbols are of usual significance.*

GROUP-A

Answer any *two* questions from the following

10×2 = 20

1. The following data are available from the books and records of Tulip Ltd. for the month of June 2021. 10

	Rs.
Direct Materials cost	50,000
Direct Labour cost	20,000
Direct Expenses	5,000
Selling expenses	15,000
Office expenses	10,000
Factory overheads	?
[125% of the Direct Labour Cost]	

Inventory accounts show the following figures:

	June 1, 2021 (Rs.)	June 30, 2021 (Rs.)
Raw materials	10,000	20,000
Work in progress	8,000	4,000
Finished goods	10,000	5,000

The company maintains a profit of 20% on sales. You are required to prepare a cost sheet for the month of June 2021 with all elements.

2. ABC Company gives you the following information: 10
- (i) Consumption: 300 units per quarter
 - (ii) Cost per unit—Rs. 40
 - (iii) Cost of processing an order—Rs. 600
 - (iv) Obsolescence -15%
 - (v) Insurance on Inventory -25%

Calculate (a) Economic Order Quantity (EOQ) (b) Number of orders to be placed in a year and (c) Time gap between two consecutive orders.

A supplier offers a discount of 2 % on purchase of 600 units at a time. Should the offer be accepted by the Company?

3. A worker takes 200 hours to do a job for which the time allowed is 250 hours. His hourly wage rate is Rs. 60 per hour. Calculate the Works Cost of the job under the following methods of wage payment: 10

(i) Halsey Plan and (ii) Rowan Plan

Additional information:

- (a) Direct Material Cost Rs. 50,000.
 (b) Direct Expenses Rs. 15,000.
 (c) Factory Overhead 150% of direct wages.

4. Write Short Notes (any *two*): 5×2 = 10

- (i) Idle Time
 (ii) Advantages of Cash Budget
 (iii) Machine Hour Rate
 (iv) Margin of Safety.

5. A company incurs the following expenses to produce 1000 units of a product. 10

	Rs.
Direct Material	30,000
Direct Labour	15,000
Power (15% fixed)	8,000
Depreciation (40% variable)	6,000
Administration Expenses (100% Fixed)	12,000
Sales @Rs.100 per unit	

Prepare a Flexible Budget for production of 1,500 and 2,000 units on the basis of the above information.

6. What do you mean by Cost Accounting? Briefly explain the importance of Cost Accounting. 3+7

GROUP-B

Answer any *two* questions from the following

15×2 = 30

7. A company has three production departments (A, B and C) and two service departments (D and E). 15

From the following information, compute overhead per hour of each production department.

Rent & Rates	Rs. 5,000
General Lighting	Rs. 600
Indirect wages	Rs. 1,500
Power	Rs. 1,500
Depreciation on Machines	Rs. 10,000
Sundries	Rs. 10,000

Additional information

Items	A	B	C	D	E
Floor Area (Sq. Ft)	2,000	2,500	3,000	2,000	500
Light points (Nos.)	10	15	20	10	5
Direct wages (Rs.)	3,000	2,000	3,000	1,500	500
Indirect wages (Rs.)	250	500	100	250	150
H. P. of machines	60	30	50	10	—
Value of Machines (Rs.)	60,000	80,000	1,00,000	5,000	5,000
Working hours	6,226	4,028	4,066	—	—

The expenses of the service departments are apportioned as follows:

	A	B	C	D	E
D	20%	30%	40%	—	10%
E	40%	20%	30%	10%	—

8. (a) The following particulars of a contract (Contract price Rs. 5,00,000) undertaken by a firm are furnished below:

12+3

Material issued	Rs. 1,70,000
Labour charges	Rs. 53,000
Plant issued at cost	Rs. 1,50,000
Direct expenses	Rs. 18,000
General overheads	Rs. 11,500
Materials returned to store	Rs. 3,500
Cash received (80% of work certified)	Rs. 2,40,000
Cost of work uncertified	Rs. 8,000
Materials in hand at the end	Rs. 6,000

Depreciation on plant is to be charged @ 20% p.a. Labour charges includes Rs. 3,000 still outstanding as at the end of the year.

Prepare a Contract Account.

- (b) Mention any three differences between the Job Costing and Contract Costing.

9. X Company produces a product which passes through two processes and finally the products are transferred to Finished Stock A/c.

15

Particulars	Process A	Process B
Input (Units)	30,000	26,000
Materials (Rs.)	60,000	8,000
Labour (Rs.)	36,000	30,550
Overhead (Rs.)	18,000	21,900
Normal Loss	10%	?
Scrap Value per unit (Rs.)	2	3

There was no opening or closing work-in-progress. The final output from Process B transferred to Finished Stock was 25,000 units. These finished goods were sold at Rs. 7.50 per unit with a profit of Re. 1 per unit. What was the normal loss rate in Process B?

- 10.(a) X Ltd sold goods for Rs. 30,00,000 in a year. The variable costs and fixed costs were Rs. 6,00,000 and Rs. 8,00,000 respectively. 10+5
 Calculate (i) P/V Ratio; (ii) Break-Even Sales; (iii) Break-Even sales if selling price was reduced by 10% and fixed costs were increased by Rs. 1,00,000.
 (b) Distinguish between Marginal Costing and Absorption Costing.

- 11.(a) The following is a summary of the receipts and issues of materials in a factory during the month of July 2021. 12+3

Date:

- 1 - Opening balance 400 units at Rs. 50 per unit
- 4 - Issued 150 units
- 8 - Issued 110 units
- 13 - Received 200 units at Rs. 52 per unit
- 14 - Returned to store 15 units at Rs. 50 per unit
- 16 - Issued 180 units
- 20 - Received 240 units at Rs. 51 per unit
- 24 - Issued 304 units
- 25 - Received 320 units at Rs. 52 per unit
- 26 - Issued 112 units
- 27 - Returned to store 12 units at Rs. 52 per unit
- 28 - Received 100 units at Rs. 54 per unit.

You are required to write up the Stores Ledger Account under the FIFO method.

- (b) What is Bin Card?

12. Briefly explain the advantages of Standard Costing. Distinguish between Standard Costing and Budgetary Control. 6+9

N.B. : *Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.*

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