



# WEST BENGAL STATE UNIVERSITY

BBA Honours 2nd Semester Examination, 2022

## 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.*

#### GROUP-A

**Answer any two questions from the following**

10×2 = 20

1. (a) Briefly state the difference between cost accounting and management accounting. 6+4

(b) Calculate prime cost from the following information:

Direct material:	Rs. 40,000
Direct labour:	Rs. 30,000
Direct Expenses:	Rs. 20,000
Opening stock of Raw materials:	Rs. 15,000
Closing stock of Raw materials:	Rs. 25,000
Purchase:	Rs. 60,000

2. From the following particulars calculate: 10

(i) Maximum level (ii) Minimum level (iii) Re-order level and (iv) Average level

Minimum usage 50 units per week

Normal usage 100 units per week

Maximum usage 150 units per week

Re-order quantity 200 units

Re-order period 5 to 9 weeks

3. To manufacture a final product, raw materials have to pass through two distinct processes: Process I and Process II. The following particulars for process II are given below: 10

Particulars	UNITS	Amount (Rs.)
Transfer from Process I to Process II at cost	4,000	25,000
Direct wages		16,000
Direct material		8,000
Transfer to Finished stock	3,650	

Factory overheads in process are absorbed at a rate of 200% of the direct material. Normal loss is 10% of units processed. Scrap value is Rs. 5 per unit.

Show the Process II Account and abnormal gain/loss account, if any.

4. What do you mean by Labour Turnover? Briefly explain the reasons for Labour Turnover. 2+8
5. What is Contract costing? Explain the process of calculation of profit in case of Incomplete contract. 2+8
6. Write short note (Any *two*): 5×2 = 10
- (a) Idle Time
  - (b) Cost of Goods Sold
  - (c) Under absorption of overhead
  - (d) Margin of Safety.

### GROUP-B

**Answer any *two* questions from the following**

15×2 = 30

7. Write short note on (Any *three*): 5×3 = 15
- (a) Standard Cost and Standard Costing
  - (b) Material Variances
  - (c) FIFO Method for Inventory Valuation
  - (d) Apportionment and Absorption of overheads
  - (e) Machine Hour Rate.
8. (a) What do you mean by budgetary control? 3+12
- (b) Mars Private Ltd. provided a budget below for production of 10,000 units. You are required to prepare a budget (total and per unit) for production of 7,000, 8,000 and 9,000 units.

Direct materials	Rs. 60
Direct labour	Rs. 30
Variable factory overheads	Rs. 20
Fixed factory overheads	Rs. 15
Administration expenses (including Rs. 50,000 fixed)	Rs. 10
Selling expenses (10% fixed)	Rs. 15
Total cost of sales per unit	Rs. 150

9. (a) X Ltd. sells 8,000 units of a product at a loss of Rs. 16,000. The variable cost per unit is Rs. 12 and the total fixed cost is Rs. 48,000. 12+3
- Calculate (i) Profit Volume (P/V) Ratio (ii) the number of units to be sold to earn a profit of Rs. 10,000 (iii) the amount of profit from a sale of 20,000 units.
- (b) Briefly explain the concept of contribution.

10. The following data are available from the books and records of Hari Ltd. for the Month of April 2020:

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	Rs.
Raw material consumed	50,000
Direct wages	30,000
Direct expenses	10,000
Indirect wages	12,000
Depreciation on Machinery	10,000
Office Overhead	20% of Works Cost
Selling Overhead	Rs. 3 per unit
Units produced	15,000
Units Sold	12,000 @ Rs. 20 each

You are required to prepare a Cost Sheet.

11. Graphically explain Break-Even Analysis.

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12. A company has three production departments (A, B, C) and two service departments (D, E). From the following information, compute overhead rate per Production Hour of each production Department.

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Rent and Rates	Rs. 5,000
Depreciation on Machines	Rs. 10,000
Canteen Expenses	Rs. 650
Lighting	Rs. 600
Power	Rs. 1,500
Sundries	Rs. 10,000

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
No. of Employees	25	20	10	5	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
Production Hour Worked	1892	3244	5903	—	—

The expenses of the service departments are apportioned as follows:

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

**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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