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**B.M.S COLLEGE FOR WOMEN**  
BENGALURU – 560004

**III SEMESTER END EXAMINATION – JAN/FEB-2024**

**B.B.A. - COST ACCOUNTING**  
(NEP Scheme 2021-22 onwards)

**Course Code: BBA3DSC07**  
**Duration: 2 ½ Hours**

**QP Code: 3024**  
**Max. Marks: 60**

**SECTION-A**

- 1. Answer any Five of the following questions. Each question carries Two Marks. (5X2=10)**
- What is a cost centre?
  - Mention any two inventory control techniques.
  - List any two objectives of time-keeping.
  - Calculate EOQ. where, Annual usage = 90,000 units; Buying cost per order = Rs 10; Cost of carrying inventory = 10% of cost; Cost per unit = Rs 50.
  - Mention any two differences between cost control and cost reduction.
  - What is an overhead?
  - Give the meaning of cost sheet.

**SECTION- B**

**Answer any Four of the following question. Each question carries Five Marks. (4X5=20)**

- 2. Explain the objectives of cost accounting?**
- 3. Moon pharma company manufactures a special product A. The following particulars were collected for the year 2022.**

Cost of placing an order	₹ 100
Annual carrying cost per unit	₹ 15
Normal usage	50 units per week
Minimum usage	25 units per week
Maximum usage	75 units per week
Re-order period	4 to 6 weeks

Compute from the above:

- Re-order quantity
- Re-order level
- Minimum level
- Maximum level
- Average stock level

4. Write a note on the causes of labour turnover.

5. Workout the machine hour rate for the following machine for the month of January:

Cost of machine	₹ 90,000
Other charges e.g. freight and installation	₹ 10,000
Working life	10 years
Working hours	2,000 per year
Repair charges	50% of depreciation
Power – 10 units per hour @ 10 paise per unit	
Lubricating oil @ ₹ 2 per day of 8 hours	
Consumable stores @ ₹ 10 per day of 8 hours	
wages of operator @ ₹ 4 per day	

6. Mr. Gopal furnishes the following data relating to the manufacture of a standard product during the month of April 2021:

Raw materials consumed	₹ 15,000
Direct labour charges	₹ 9,000
Machine hours worked	900
Machine hour rate	₹ 5
Administration overheads	20% on works cost
Selling overhead	Re. 0.50 per unit
Units produced	17,100
Units sold	16,000 at ₹ 4 per unit

You are required to prepare a cost sheet from the above, showing:

- cost per unit
- cost per unit sold and profit for the period

### SECTION- C

Answer any Two of the following question. Each question carries Twelve Marks. (2X12=24)

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

- Weighted average method
- LIFO method of pricing issues in connection with the following transactions:

April	Units	Value (Cost) ₹
1 Balance b/f	300	600
2 Purchased	200	440
4 Issued	150	---
6 Purchased	200	460
11 Issued	150	---
19 Issued	200	---
22 Purchased	200	---
27 Issued	250	480

In a period of rising prices such as above, what are the effects of each method?

8. Calcutta engineering company has three production departments, X,Y,Z and one service department S, from the following particulars calculate the overhead to be allocated to departments X,Y,Z as per **“Repeated Distribution Method”**.

Rent	34,000
Power	18400
Depreciation on machinery	22,000
Indirect wages	5,300
Canteen expenses	5,700
Electricity	4,600

Further Information:

	X	Y	Z	S
Floor Space	2000	3,000	2,500	1,000
Light points	18	12	10	6
Cost of machine	80,000	50,000	60,000	10,000
Horse power ratio	3	2	4	1
No of workers	7	5	5	2
Direct Wages	15,000	16,000	18,000	4,000

Service rendered by the service department are to be apportioned to the production departments as X=50%, Y=25%, Z=25%

9. A factory uses job costing. The following data are obtained from its books for the year ended 31<sup>st</sup> December 2021

Particulars	₹	Particulars	₹
Direct materials	90,000	Selling and distribution overheads	52,500
Direct wages	75,000	Administration overheads	42,000
Factory overheads	45,000	profit	60,900

- Prepare a Cost Sheet indicating the Prime Cost, Works Cost, Production Cost, Cost of Sales and the sales value.
- In 2022, the factory received an order for a number of jobs. It is estimated that direct materials required will be ₹ 1,20,000 and direct labour will cost ₹ 75,000. What should be the price for these jobs if the factory intends to earn the same rate of profit on sales assuming that the selling and distribution overheads have gone up by 15%? The factory recovers as a percentage of works cost, based on cost rates prevailing in the previous year.

### SECTION-D

Answer any One of the following questions, each question carries Six Marks.

(1X6=06)

- List any five documents used in material accounting
- Explain the procedure for procurement of materials.

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