



BCH-161100010506 Seat No. _____

B. B. A. (Sem. V) (CBCS) Examination

August – 2021

Cost Accounting

(New Course)

Time : $2\frac{1}{2}$ Hours]

[Total Marks : 70

Instructions :

- (1) You are required to attempt any five questions
- (2) Figures to the right side indicate marks
- (3) All working notes should form part of your answer

- 1 Explain advantages of Cost Accounting System. [14]
- 2 Discuss in detail the pre-requisites of an ideal cost accounting system. [14]
- 3(A) Calculate [07]

- a) Re-ordering Level
- b) Minimum level
- c) Maximum level
- d) Economic Ordering Quantity (EOQ)

The following details are available

(1) Annual Consumption	13,000 units
(2) Cost of placing an order	Rs. 25
(3) Carriage exp. (yearly) per unit.	Rs. 65
(4) Re-ordering time	4 to 6 weeks
(5) Weekly average consumption	250 units
(6) Weekly minimum consumption	125 units

- (B) Find out total income of Abhay under following circumstances: [07]

- (1) Rowan Premium Plan.
- (2) 40% Bonus under Halsey Premium Plan
 - (a) Rate per hour 60 paise
 - (b) Standard time of preparing 1 dozen units 2 hours.

Actual time taken for preparing 25 dozen units 40 hours.

If price of material is Rs. 20 and factory overhead is recorded at 150% of direct wages, calculate factory cost also.

- 4(A) Calculate [07]

- a) EOQ
- b) Re-order level
- c) Minimum level
- d) Maximum level
- e) Average Stock level
- f) Danger level.

The following details are available

BCH-161100010506]

- (1) Annual consumption of materials 9,000 units
- (2) Cost per unit Rs. 20
- (3) Cost of placing an order Rs. 100
- (4) Storage carrying charges 25%
- (5) Maximum time to get materials 45 days
- (6) Average time to get materials 35 days
- (7) Maximum time for immediate purchase 5 days.
- (8) Maximum daily consumption 30 units.
- (9) Minimum daily consumption 20 units.

- (B) In a factory there are three workers X, Y and Z. The standard time allowed for a job is 50 hours and the hourly rate of wage payment is Rs. 2 [07]
 X completes the job within 30 hours.
 Y completes the job within 40 hours.
 Calculate the wages for each worker under:
 (i) Halsey Plan and (ii) Rowan Plan.

- 5 In one company there are three production departments and two service departments. [14]
 The following figures are available from its books:

Rent and Rates	Rs. 5,000	General lighting	Rs. 600
Indirect Labour	Rs. 1,500	Power	Rs. 1,500
Depreciation on Machine	Rs. 10,000	Misc expenses	Rs. 10,000

The following was additional information:

Particulars	Production Depts.			Service Depts.		Total
	A	B	C	D	E	
Area occupied	2,000	2,500	3,000	2,000	500	10,000
Light Points	10	15	20	10	5	60
Direct Labour(Rs.)	3,000	2,000	3,000	1,500	500	10,000
Horse Power of Machines (Rs.)	60	30	50	10	-	150
Cost of Machines(Rs.)	60,000	80,000	1,00,000	5,000	5,000	2,50,000
Hours Worked	6,226	4,028	4,066	-	-	-

The expenses of Service Departments are allocated as under:

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

If an item is costing Rs. 50 for Raw Materials. Rs. 30 for Wages and if it takes, 4, 5 and 3 hours each of Dept. A, B and C for completion, then calculate its cost.

- 6 Stuti Ltd. Has three production department A, B and C and two service department X and Y for the month of March 2020 department expenses are as under: [14]

Particulars	Rs.
Rent and Taxes	38,000
Lighting	25,000
Canteen expenses	45,000

Insurance	15,000
Indirect wages	30,000
Contribution to ESI	12,500
Depreciation	90,000
Power	1,12,500

Other information

Particulars	A	B	C	X	Y
Direct wages (Rs.)	45,000	37,500	30,000	22,500	15,000
Cost of Machine (Rs.)	6,00,000	4,00,000	3,00,000	1,00,000	1,00,000
Lighting point	60	40	40	30	30
Horse Power of Machine	60	60	30	-	-
Space occupied (sq. feet)	600	400	500	200	200
Number of workers	50	60	40	20	10

The benefit of service department X and Y is derived by the other department in the following proportion.

Particulars	A	B	C	X	Y
Department X	20%	30%	30%	-	20%
Department Y	30%	30%	30%	10%	-

Prepare a statement showing:

- (1) Distribution of overheads to various department and
- (2) Distribution of expenses of service department to production departments
(Repeated Distribution Method).

- 7 The following particulars are obtained from the books of "A" Ltd. For the year 2021 [14]

Production and Sales	3,000 units
Particulars	Amt(Rs.)
Direct materials	6,00,000
Direct wages	2,40,000
Works overheads (60% fixed)	2,25,000
Office overheads (fixed)	1,35,000
Selling overheads (80% variable)	1,80,000
Sales	14,49,000

For the year 2021 it is estimated that :

- (1) The production and sales will be 4500 units
- (2) Direct wages per unit will increase by 20% and direct materials will increase by Rs. 24 per unit.
- (3) Variable selling expenses will increase by Rs. 14 per unit.
- (4) The rate of profit on cost will remain same as per the last year.

Prepare:

- (1) A statement of cost showing total as well as per unit cost and profit for the year 2021
- (2) A statement of cost showing estimated profit for the year 2021.

- 8 "B" Transport Company possesses fleet of 15 buses, following particulars are available. [14]
 10 buses (90% capacity occupied in each trip)
 5 buses (75% capacity occupied in each trip)
 Seating capacity of each bus is of 40 passengers. Each bus performs 6 trips in a day and covers 20 km distance in a trip. Buses operate for 25 days in a month.
 From the following details of expenses, prepare operating cost sheet showing cost per passenger Km.

	Rs.
Salary of each driver	8,000 (monthly)
Salary of each conductor (There are two conductors in one bus)	4,000 (monthly)
Tiffin Allowance for driver	120 (per day)
Tiffin Allowance for conductor	80 (per day)
Diesel (5 km per litre)	27 per litre
Oil per km.	2.00
Maintenance for each bus	5,000 (monthly)
Tyre Tube expenses per bus	13,000 (monthly)
Depreciation for all buses	48 lakhs (yearly)
Service charge per bus	12,000 (yearly)
Interest on capital for all buses	16 lakhs (yearly)
Insurance per bus	16,000 (yearly)
Road tax per bus	40,000 (yearly)
Misc. Expenses for each bus	2,500 (yearly)
General Supervision Charges	7,20,000 (yearly)

- 9 Attempt any two [14]
 (a) Explain ABC classification of Material
 (b) Explain VED classification of Material
 (c) Bin Card v/s Store Ledger
- 10 Attempt any two [14]
 (a) Time Wage System and Piece Rate System
 (b) Operating Costing
 (c) Classification of Overheads