



Seat No. _____

HAK-161100010506
B. B. A. (Sem.-V)
(W.E.F. 2016) Examination
May - 2023
Cost Accounting

Time : $2\frac{1}{2}$ Hours / Total Marks : 70

Instructions :

- (1) All the questions are compulsory.
- (2) Figures at the right side indicate marks of each question.
- (3) All necessary calculations are to be shown as a part of your answer.

1 Explain the advantages and disadvantages of cost accountings. **14**

OR

Write note : Cost center and Cost unit. **14**

2 From the following details from DEVARSH Ltd. find out : **14**

- (1) Economic Ordering Quantity (EOQ)
- (2) Minimum Level
- (3) Maximum Level
- (4) Average Level
- (5) Danger Level
- (6) Safety Stock Level

Quarterly Consumption 16,000 units
Cost per unit Rs. 30
Ordering Cost..... Rs. 15
Storage expense per unit Rs. 0.10
Ordering level 2,000 units
Maximum delivery period 50 days
Average delivery period 40 days
Maximum delivery period
For emergency purchase 4 days
Minimum consumption per day 20 units

OR

- (a) Calculate Material Turnover Ratio from the following information of Prisha Ltd. 7

Particulars	Material-X (Rs.)	Material-Y (Rs.)	Material-Z (Rs.)
Opening Stock	37,500	80,000	17,500
Purchase	1,17,500	2,00,000	52,500
Closing Stock	17,500	40,000	7,500

- (b) Hetav Ltd. provides following information from that calculate: 7

- (1) Ordering level
- (2) Minimum level
- (3) Maximum level

- (1) Average usage rate per week 4000 units
- (2) Minimum usage rate per week 2000 units
- (3) Maximum usage rate per week 6000 units
- (4) Economic order quantity of raw material 24000 units
- (5) Delivery period of materials 4 to 6 weeks

- 3 Following particulars have been obtained for the month of March 14

2022 from the labour department of Smit Sugar Factory. Find out the labour turnover rate and the equivalent annual turnover rate according to replacement method.

- (1) No. of workers at the beginning 600
- (2) No. of workers at the end 400
- (3) No. of workers retired 20
- (4) No. of workers resigned 10
- (5) No. of workers dismissed 15
- (6) No. of workers newly appointed on vacant post 50
- (7) No. of newly recruited due to the expansion 30

OR

Following information is available from the personnel department 14
of a Harshit Ltd. for the year 2021. Find out the labour turnover
rate from the above information as per under given methods.

(1) Separation Method

(2) Replacement Method

(1) No. of workers as on 01-01-21 270

(2) No. of workers resigned 27

(3) No. of workers dismissed 06

(4) No. of workers retired 03

(5) No. of workers newly appointed 96

(out of 72 workers were appointed
due to expansion scheme)

(6) Labour Turnover Rate by Flux method is 20%

4 In a RR factory, there are three production departments A, B 14
and C and two service departments X and Y. Total expenses during
March 2022 are as follows:

Indirect Labour	6,500	ESI contribution	3,250
Factory Insurance	6,600	Depreciation	16,500
Canteen expenses	9,000	Power	12,000
Light and Electricity	2,400	Factory Manager's	
Rent and Taxes	10,000	Salary	12,000

Details related with departments are provided as under:

Particulars	Production Department			Service Department	
	A	B	C	X	Y
Light points	6	5	4	3	2
Power consumption units	400	600	200	-	-
Time spent by Manager	5	5	4	1	1
No. of employees	10	12	8	6	4
Space Occupied (sq. mts)	300	200	250	150	100
Value of Plants(Rs.)	30,000	20,000	15,000	500	500
Direct Labour (Rs.)	2,250	2,000	1,450	600	200

Show departmentwise Distribution overheads. Production Departments utilize the services of Department X and Y as under:

Details	A	B	C
Department -X	25%	35%	40%
Department-Y	30%	40%	30%

Show final allocation of overheads to A, B and C.

OR

Kishor Ltd. is having three production departments A, B and C **14**
and two service departments X and Y. Following particulars are for the month of May 2022.

Particulars	Rs.	Particulars	Rs.
Rent and Taxes	12,000	Power Exp	5,500
Light Exp.	6,000	Plant Repairs	3,600
Plant Insurance	8,400	Canteen Expenses	8,000
Depreciation on other machinery	6,500		

Particulars	Production Department			Service Department	
	A	B	C	X	Y
Light Points	4	4	2	1	1
Power Exp(Rs.)	1,200	1,800	1,700	400	400
Cost of other machinery (Rs.)	40,000	40,000	20,000	20,000	10,000
No.of employees	3	3	2	1	1
Space occupied (Sq. mts)	400	300	200	50	50
Cost of plants (Rs.)	2,50,000	2,50,000	1,00,000	50,000	50,000

Expenses of service departments X and Y should be distributed as under:

Details	A	B	C	X	Y
Department-X	40%	30%	20%	-	10%
Department-Y	30%	30%	20%	20%	-

From the above particulars you are required to prepare and calculate:

- (1) Allocation of indirect expenses for all the five departments.
- (2) Allocation of indirect expenses of service dept. X and Y between production dept, A, B and C by Repeated Distribution Method.

- 5 The following particulars are obtained from the books of Pramod Ltd. for the year 2021-22. **14**

Particulars	Amount (Rs.)
Production and Sales	1500 units
Direct Materials	3,00,000
Direct Wages	1,20,000
Work overheads (60% fixed)	1,12,500
Office overheads (fixed).....	67,500
Selling overheads (80% variable)	90,000
Sales	7,24,500

For the year 2022-23 it is estimated that :

- (1) The production and sales will be 2,250 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 year 2021-22.
- (2) A statement of showing estimated profit for the year 2022-23.

OR

From the following information ascertain cost per kilometer of a vehicle for Gokul Transport Co. **14**

Particulars	Amount (Rs.)
No. of Taxi	10
Cost of each taxi	20,000
Manager's Salary monthly	600
Accountant's Salary monthly	500
Cleaner's Salary monthly	200
Mechanic's salary monthly	400
Garage rent monthly	600
Insurance premium annual.....	5%

Tax per taxi annual 600

Driver's salary per taxi monthly 200

Repairing per taxi annual 1000

Life of taxi is 2,00,000 km. Each taxi travels 3,000 km per month.

Out of this 30% is without passengers. Consumption of petrol is one liter for every 10 kms. Rate of petrol is Rs. 1.80 per liter.

Oil Rs. 5 for 100 kms. Ascertain cost per km.
