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B.M.S COLLEGE FOR WOMEN, AUTONOMOUS

BENGALURU – 560004

SEMESTER END EXAMINATION – MARCH/APRIL- 2023

B.B.A. – III Semester

COST ACCOUNTING

(NEP Scheme 2021-22 onwards)

Course Code: BBA3DSC07

Duration: 2 ½ Hours

QP Code: 3024

Max. Marks: 60

Instructions: Answers should be written in English only.

SECTION -A

1. Answer any FIVE of the following questions. Each question carries TWO Marks.

(5X2=10)

- Define Cost Accounting.
- State the meaning of Cost Centre.
- What do you understand by Labour turnover?
- Who is a Store keeper?
- Give the meaning of Idle time.
- What is Machine Hour Rate?
- State the meaning of Tender.

SECTION - B

Answer any FOUR of the following questions. Each question carries FIVE marks.

(4X5=20)

- State the differences between Financial accounting & Cost Accounting.
- Keeravani ltd is furnishing the following details, Compute Reorder level, Maximum level, Minimum level, Danger level and Average stock level.

Maximum consumption	300 units
Minimum consumption	150 units
Normal consumption	200 units
Reorder quantity	500 units
Reorder period:	
Maximum	4 weeks
Minimum	2weeks
Emergency	1 week

4. The following transactions took place in respect of a certain material for the month of September 2022.

Date	Receipts			Issues		
	Qty (Units)	Rate (Rs)	Amt (Rs)	Qty (Units)	Rate (Rs)	Amt (Rs)
September 2022						
Bal b/d	3,000	1.50	-	-	-	-
Sep 2	4,000	1.525	-	-	-	-
Sep 7	-	-	-	2,200	-	3,300
Sep 10	-	-	-	1,600	-	2,420
Sep 14	-	-	-	2,000	-	3,050
Sep 15	4,800	1.600	-	-	-	-
Sep 19	-	-	-	1,800	-	2,790
Sep 21	10,000	1.625	-	-	-	-
Sep 25	-	-	-	1,800	-	2,880
Sep 29	-	-	-	4,800	-	7,740

Physical stock taking on September 30th, revealed that 7,500 units were in stock. You are required to prepare stock ledger account based on FIFO method.

5. Given below is information of Saarang limited where Taylor's weight system is in operation. Standard output is 100 units per hour and hourly wage rate is rupees 25

The piece rate is prescribed as under:

80% of piece rate for performance below standard

120% of piece rate for performance at or above the standard

Actual output in a day of 8 hours- worker A produced 600 units, Worker B produced 1000 units

Calculate the earnings of A&B under i) Time Wage system ii) Piece rate system iii) Taylor's differential piece rate system.

6. From the following details of Madhuvanti limited Compute a comprehensive

Machine Hour Rate:

i) Cost of machine rupees 4,00,000 having a scrap value of rupees 40,000 at the end of 10 years of life.

ii) Machine will run in two shifts of seven hours' duration, for 300 working days :200 hours will be lost for repairs, maintenance and idle time

iii) Other details – a) wages of two operators at rupees 4000 per month for each

b) Renting rates of machine shop accommodating 4 identical machines rupees 2400 per year

c) General lighting charges of the department rupees 300 per month

d) Insurance premium for the machine rupees 200 per quarter

e) Cost of repairs and maintenance per machine per month rupees 2500

f) Supervisor salary rupees 6000 per month

g) Power consumption 20 units at rate of rupees 1.75 per unit

h) Other factory overheads 13,200 per annum

i) there are four machines in the department and the supervisor devotes 1/5 of his time for each machine

SECTION – C

Answer any TWO of the following questions. Each question carries TWELVE marks.

(2X12=24)

7. Write short Notes on: (a) Elements of Cost

(b) Documents used in Material Issue

(c) Causes and Treatment of Normal and Abnormal Idle time

8. The following information has been extracted from Shiva Ranjani limited from January 1st to 31st January, 2023. Prepare a statement of cost and profit

Particulars	Amount in Rs
Stock of raw materials on 1 st January 2023	20,000
Purchase of raw materials during January	3,60,000
Stock of raw materials on 31 st January 2023	15,000
Carriage inwards	1,500
Octroi on purchases	1,000
Wages - Direct	1,80,000
- Indirect	40,000
Chargeable expenses	50,000
Rent, rates and taxes – factory	10,000
– office	3,000
Depreciation of plant and machinery	2,000
Salaries -office	9,000
-sales	7,000
Telephone charges	1,200
Printing and stationery	600
Postage	300
Repairs and renewals of machinery	1,500
Factory supervision	2,000
Interest on borrowings	4,000
Advance income tax	10,000
Samples and showroom expenses	8,000
Office cleaning and lighting	800
Management expenses	18,000
Sales commission	3,000
Travelling expenses	7,000
Sales promotion expense	6,000
Discount on issue of shares	4,750
Work –in- progress as on 1 st January 2023	10,000
Work- in- progress as on 31 st January 2023	15,000
Opening stock of finished goods	40,000
Closing stock of finished goods	35,000
Sales	8,00,000

Management expenses are divided in the ratio of 1:3:2 on factory, office and sales departments

9. Megh Malhar company has three production departments A, B, C and two service departments X&Y. The following data are extracted from the records of the company for a particular given. -

A) Rent and rates	Rs25,000
General lighting	Rs 3000
Indirect wages	Rs 7500
Power	Rs 7500
Depreciation on machinery	Rs 50,000
Sundries	Rs 50,000

B) Additional details department wise:

Particulars	Total	Departments				
		A	B	C	X	Y
Direct wages- rupees	50,000	15,000	10,000	15,000	7500	2500
Horsepower of machine used	150	60	30	50	10	-
Cost of machinery- rupees	12,50,000	3,00,000	4,00,000	5,00,000	25,000	25,000
Floor space used- sq. mtr	10,000	2000	2500	3000	2000	500
Light points- numbers	60	10	15	20	10	5

C)Service department expenses allocation:

Departments	A	B	C	X	Y
X	20%	30%	40%	-	10%
Y	40%	20%	30%	10%	-

You are required to compute the overhead rate of production departments using the Repeated distribution method

SECTION – D

Answer any ONE of the following questions carries SIX marks.

(1X6=06)

10. List out the various Overhead items under Factory, Administrative, Selling & Distribution Overheads (eight items each)

11. Prepare a cost sheet with imaginary figures.
