647510 **BBAcstCC5060** **Seat No :_________**

B.B.A. Semester - 5 (*CBCS*) Examination
March/April– 2019
COST ACCOUNTING(CORE)

Time: 2:30 Hours **Marks: 70**

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate marks.

Que-1 Explain the meaning of cost Accounting and discuss its objectives. (14)

OR

Que-1(a) Discuss the difference between cost accounting and financial Accounting. (07)

Que-1(b) Discuss the advantages and limitations of cost Accounting. (07)

Que-2 From the following information calculate (14)

a. Re-order Stock level
b. Minimum stock level
c. Maximum stock level
d. Average stock level
e. Danger stock level

1. maximum delivery period-45 days
2. Average delivery period- 35 days
3. Minimum delivery period- 25 days
4. Maximum delivery period for emergency purchase- 5 days
5. Maximum rate of consumption per day- 30 units
6. Average rate of consumption per day- 25 units
7. Minimum rate of consumption per day- 20 units
8. Ordering quantity- 600 units

XYZ Ltd. purchases a given material in quantity (bulk) of 12,000 units, Which is its consumption for 6 months cost per unit is Rs. 20 cost of placing an order is Rs.100, Cost of Storing is 25%.

Calculate Economic order Quantity.

OR

Que-2(a) Following information is Related to materials PQR. (07)

(1) Monthly consumption of PQR = 1000 units
(2) Expenses of placing an order = Rs. 100
(3) Annual carrying cost unit = Rs. 15
(4) Average Weekly consumption = 50 units
(5) Weekly minimum consumption = 25 units
(6) Weekly maximum consumption = 75 units
(7) Time period for ordering = 4 to 6 weeks

You are required to determined, Economic Order quantity, Order level, minimum level, maximum level and average stock level.

Que-2(b) Write a short note on Bin card. (07)

Que-3(a) The following information available from the personnel department of malhar silk mills Ltd. calculate Turnover Rate: (07)

(1) By Replacement Method
(2) By Separation Method
(3) Equivalent Annual labour Turnover method

Number of Workers on 1/4/2010 – 4380
Number of Workers on 30/4/2010 – 3720
During the month of April 2010:-

Number of workers Resigned – 380
Number of workers Retired – 460
Number of workers Dismissed – 320
Number of workers newly appointed – 500

(of Which 140 workers were taken under expansion plan)

Que-3(b) A worker has been allowed to complete a work in 9 hours, but he completes the work in 6 hours, labour rate per hour is Rs. 1.50, If cost of material is Rs. 8 and factory overheads are 150% of direct labour. Find our factory cost as per following methods. (07)
(1) Halsey plan. (2) Rowan Plan (3) Piece Rate system

OR

Que-3 In a factory wages are paid as per Halsey plan. The following information is available for the work of a worker: (14)

(1) Time saved 25 hours.
(2) Bonus to workers is 10% of time wages.
(3) Materials used per unit Rs. 350.
(4) Factory Overheads are 20% of Prime cost
(5) Factory cost per unit is Rs. 1212

Find out the time allowed to complete the work.

Que-4 In a factory A,B and C are production departments and D and E are service departments Following are the details for march 2007. (14)

Indirect Labour	- Rs. 1,300
Insurance	- Rs. 3,300
Canteen Expense	- Rs. 6,000
Lighting	- Rs. 2,000
Factory Manager's Salary	- Rs.18,000
Rent and taxes	- Rs. 5,000
ESI contribution	- Rs. 650
Depreciation	-Rs. 16,500
Power	- Rs.9,000

Other information:

Particulars	A	B	C	D	E
Light Points	6	5	4	3	2
Direct Labour (Rs.)	4500	4000	2900	1200	400
Value of plant (Rs.)	72000	48000	36000	1200	1200
Horse Power	4	6	2	-	-
Space occupied (sq. ft.)	600	400	500	300	200
Proportion of time Spent by Manager	5	4	3	2	1
No. of employees	5	6	4	3	2

Expenses of D and E are to be distributed as under

Particulars	A	B	C	D	E
Dept. D	20%	30%	40%	-	10%
Dept. E	30%	40%	30%	-	-

Prepare statement showing apportionment of indirect expenses of production Departments.

OR

Que-4 Write a short note on "classification of Overheads." (14)

Que-5 Raju 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 operates for 25 days in a month.

From the following details of expenses, prepare operating cost sheet showing cost per passenger km.

Particulars	**Rs.**
Salary of each driver	4000 (Monthly)
Salary of each conductor	2000 (Monthly)
(There are two conductors in one bus)	
Tiffin Allowance for Driver	60 (per day)
Tiffin Allowance for Conductor	40 (per day)
Diesel (5 km per liter)	13.50 per liter
Oil per km	1.00
Maintenance for each bus	2500 (Monthly)
Tyre Tube Expenses per bus	6500 (Monthly)
Depreciation for all buses	24 Lakhs (yearly)
Service charge per bus	6000 (yearly)
Interest on capital for all buses	8 Lakhs (yearly)
Insurance per bus	8000 (yearly)
Road tax per bus	20000 (yearly)
Misc. Expenses for each bus	1250 (yearly)
General Supervision charges	3,60,000 (yearly)

OR

Que-5 Following is the Trading and Profit and loss account of the J.K. sowing machines Ltd. for the year ending date 31-3-2017

Company had sold and produced 1200 machine during this year.

Dr. Cr.

Particulars	Rs.	Particulars	Rs.
To cost of materials	48,000	By Sales	2,40,000
To wages	72,000		
To manufacturing Charges	30,000		
To Gross Profit	90,000		
	2,40,000		2,40,000
To salaries of office staff	36,000	By Gross profit	90,000
To Rent and taxes	6,000		
To Sales Expenses	12,000		
To general Expenses	18,000		
To Net profit	18,000		
	90,000		90,000

Following estimate had been made for the year 2017-2018.

1. Production and sales will be of 1500 Machines
2. Price of material will rise by 25%
3. Wages rates will rise by 12.5%
4. Manufacturing charges (or expenses) will increase in proportion to the combined cost of materials and wages.
5. Selling expenses per unit will remain unchanged.
6. Other expenses will remain unchanged (or unaffected) even by the rise in production.

Prepare an estimated cost sheet showing what should be the market price of machines, to receive a profit of 10% on selling price.

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