647510 **BBAcstCC5060** **Seat No :________**

B.B.A. Semester - 5 (Remedial) (*CBCS*) Examination
February/March. -2020
COST ACCOUNTING(CORE)

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

Instructions:

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

Q.1 Explain the meaning of cost accounting, discuss its nature and scope in detail (14)

OR

Q.1 (A) Explain the advantages and limitations of cost accounting

(B) Difference between financial accounting & cost accounting

Q.2 Following is the information of Mohan Ltd: (14)

Find out :

(1) EOQ (2) Ordering level (3) Maximum level

(4) Minimum Level (5) Danger level (6) Safety stock

Bi-monthly consumption-2000 units

Cost per unit-Rs.1

Ordering cost-Rs.12

Carrying cost – 20%

Delivery period (maximum, average & minimum)- 30-20-10 days.

Daily consumption (maximum, average & minimum)- 45-30-15 days.

Maximum delivery period for emergency purchase-5 days.

OR

Q.2(A) Calculate material turnover ratio and turnover in days of XYZ Ltd. (03)

(1) Purchase-Rs.5,00,000
(2) Closing stock is half the amount of opening stock.
(3) Opening stock is 25,000 units at Rs.2 per unit. Stock valuation is done on cost plus 25% of cost basis.

Q.2(B) K Ltd. Manufactures a product, for which following details are available. (11)

(1) Annual consumption of material 9,000 units.
(2) Ordering expenses: Rs. 200.
(3) Carrying charges (annual) per unit: Rs.10.
(4) Monthly average consumption: 750 units.
(5) Monthly minimum consumption: 450 units.
(6) Re-ordering period: 1 to 5 months.

From above particulars, calculate :

(1) EOQ (2) Number of orders placed in a year (3) Ordering level

(4) Maximum level (5) minimum level

(6) average stock level (on the basis of EOQ) (7) Safety stock

Q.3 Information regarding workers of XYZ Ltd. Is an under: (14)

- Number of workers as on 01/03/16- 550
- Number of worker as on 31/03/16- ?
- Number of workers who resigned-55
- Number of workers dismissed-22

- Number of workers retired-38
- Number of workers newly appointed (out of which 250 were taken under expansion plan- 315
- Labour turnover As per flux method- 30%

Find out:

(1) No. of workers as on 31/03/2016.
(2) Labour turnover rate as per replacement method and as per separation method.
(3) Equivalent annual turnover rate on the basis of replacement method and separation method.

OR

Q.3(A) From the following information of Virat Ltd. Calculate the remuneration of workers A, B & C for October 2012. (07)

(1) Standard production per month per worker: 1000 units.
(2) Actual production during the month: A-800 units B-700 units C-900 units.
(3) Wage rate per unit produced Rs.2.
(4) Dearness allowance : 50% of wages.
(5) House rent allowance : 10% of wages plus dearness allowance.
(6) Bonus : at the rate of Rs. 20 for each percentage of unit production in excess of 75% of standard production.

Q.3(B) Workman Mr. G was allowed 72 hours to complete a job on daily time wages and completed the job in actual 48 hours. His time wages is Rs. 7. Material cost of the product is Rs. 100 and factory overheads are recovered at 50 % of total prime cost. Calculate the factory cost of product under following wage method: (07)

(1) Halsey plan
(2) Rowan wage plan

Q.4 Discuss classification of overheads in detail (14)

OR

Q.4 In a "D" factory A, B & C are production departments and D & E are service departments. Following are the details of march 2018. (14)

Particulars	Amount in Rs.
Indirect labour	1,300
Insurance	3,300
Canteen expenses	6,000
Lighting	2,000
Factory manager's salary	18,000
Rent & taxes	5,000
ESI contribution	650
Depreciation	16,500
Power	9,000

Other information:

Particulars	A	B	C	D	E
Light points	6	5	4	3	2
Direct labour	4,500	4,000	2,900	1,200	400

(in Rs.)					
Value of plant (in Rs.)	72,000	48,000	36,000	1,200	1,200
Horse power	4	6	2	-	-
Space occupied (in 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 to production department.

Q.5 Rohit Ltd. Manufactured and sold 1,000 instruments for the year ending 31/03/2017. Summarised trading and profit & loss account for the year ending is as under:

Particulars	Amount(Rs.)	Particulars	Amount(Rs.)
To direct materials	2,00,000	By sales	7,75,000
To direct wages	3,00,000		
To manufacturing charges	1,50,000		
To gross profit	1,25,000		
TOTAL	7,75,000		7,75,000
To administrative expenses.		By gross profit	1,25,000
Fixed- 50,000			
Variable- 10,000	60,000		
To selling expenses fixed- 5,000 Variable- 20,000	25,000		
To net profit	40,000		
TOTAL	1,25,000		1,25,000

For the year 2017-2018, it is estimated that:

(1) Production and sales will be of 1,250 instruments.
(2) Price of the material will rise by 25%
(3) Wage rate will rise by 10%
(4) Manufacturing charges will increase in proportion to the combined cost (or expenses) of material and wages. Prepare cost sheet for the year ending 31/03/16 and prepare an estimated cost sheet, showing the price at which instruments to be sold in 2017-2018 as to earn a profit of 20% on selling price.

OR

Q.5(A) Karan transport company owns a fleet of 4 metador which are used to carry students of narmada college from bharuch station to college and black a total distance of 16 km. each matador makes 2(two) round trips a day and carries 20 passengers in a single trip. All the matador works 25 days in a month. Following are the expenses from which you are required to find out cost per passenger km. (10)

Salary of 4 drivers per month	2,000(Rs.)
Salary of 4 cleaners per month	1,600(Rs.)
Diesel charges per litre	3.50(Rs.)q
Road tax per day per passenger	2(Rs.)
Licence fees per matador per year	480(Rs.)
Garage rent (Total) per annum	12,000(Rs.)

- insurance charges (yearly) 5% on cost of vehicle.
- Maintenance 50% of depreciation charges.
- Each matador costs Rs.90,000 and has a scrap value of Rs.9,000 at the end of its life of 9 years. Each matador runs 10 km in one litre diesel.
- College contributes 50% of the freight to be charged from student.

  If ¼ of the cost is charged as profit by Karan transport company, what will the student pay per month to the college as transport charges.

Q.5(B) Prepare the proforma of operating cost sheet. (04)

****