



First Year BBA (I.B.)

End Semester Examination, (2019 Pattern) Semester – II

Course Code: 19BaBIBU201

Course Name: Cost Accounting

Date: 16.03.2020

Time: 10.00 a.m.-12.00 p.m.

[Time: 2 Hours]

[Max Marks: 60]

- Note: 1. All questions are compulsory.
2. Figures to the right indicate full marks.

Q.1. (A) Fill in the Blanks. (5 marks)

1. Break Even Point is a Point of No----- & No-----.
2. Each Job has its own distinguishing-----
3. Fixed Cost remain _____ irrespective of production.
4. Standard Costing is a _____ of Costing.
5. Give an example of Factory Overhead-----.

(B) State whether following statements are True or False. (5 marks)

1. Standard costs are predetermined scientifically for each element of cost.
2. Flexible budgets are prepared as per level of activity.
3. Operating costing and Service costing are two different methods of costing.
4. Carriage on purchases is an example of expenditure incurred on indirect material.
5. Sunk cost has no economic relevance for present decision making process.

Q.2. What does the term Cost, Costing and Cost Accounting means? Discuss the objectives of Cost Accounting. (10 Marks)

OR

Q.2. Define Budget. Discuss the classification or types of budget. (10 Marks)

Q.3. Prepare a cost sheet showing Prime cost, Factory cost, cost of production, total cost & Profit, for the year ending 31st March, 2018, in the books of Raj Textiles Ltd, Hyderabad (15 marks)

Particulars	Amount(In Rupees)
Cost of direct materials	2,00,000
Sales	4,00,000
Direct wages	1,00,000
Office indirect materials	5,000
Cost of Special patterns	40,000
Postage and Telegrams	2,000
Bad Debts Recovered	250
Factory Rent and Insurance	5,000
Outstanding Chargeable Expenses	2,000
Carriage Outwards	2,500
Interest on Loan	2,150
Printing & Stationery	500
Factory Indirect Wages	3,000
Selling on cost	4,000
Salesman's Travelling expenses	4,000
Works Indirect Material	1,000

Royalties	8,000
General Works Overheads	2,000
Bad Debts written-off	1,000

OR

Q.3. In a manufacturing company, a product passes through three processes, A, B & C. During the month 1000 units are produced with which following additional information is available.

(15 marks)

Particulars	Process A(In Rupees)	Process B(In Rupees)	Process C(In Rupees)
Direct Material	3,000	2,000	2,000
Direct Labour	2,000	900	1,000
Direct Expenses	500	200	200

Indirect expenses amounted to Rs. 5,000 and they are to be apportioned to the processes on the basis of Direct Material. Prepare Process Account showing the total cost and cost per unit at each process.

Q.4. From the following particulars, calculate,

(10 Marks)

1) contribution per unit 2) P/V Ratio 3) BEP(In units and in rupees)

Fixed expenses Rs. 1,50,000, Selling price per unit Rs.15

Variable cost per unit Rs.10

OR

Q.4. Ananad Manufacturing, Pune is using Standard Costing technique to control their cost.

A standard estimate for basic material of 1000 units of a commodity is 400 kgs @ 2.50 per kg.

During the month of January, 2020, when 2000 units of a commodity are manufactured, it is ascertained that 850 Kgs of material are actually consumed @ Rs.2,20 per kg.

You are asked to calculate Material cost Variances, Material Price variances and Material Usage Variance.

(10 Marks)

Q.5. Prepare a flexible budget from the following information relating to Raj Manufacturing Ltd, Mumbai. The information is given at 70% of capacity, you are to prepare the flexible budget at 60% and 80% of capacity.

(15 Marks)

Particulars	Expenses at 70%(In rupees)
A) Variable Expenses	
Indirect Material	5,000
Indirect Labour	15,000
B) Semi variable Expenses	
Electricity	50,000
(Variable 60%, fixed 40%)	
Repairs & Maintenance	5,000
(Variable 65%, fixed 35%)	
C) Fixed Overheads	
Salaries to staff	10,000
Depreciation on machines	14,000
Insurance on machines	6,000
Total	<u>1,05,000</u>