(8 pages) **Reg. No. :** ....

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B.B.A. (CBCS) DEGREE EXAMINATION,
APRIL 2018.

Fourth Semester

Business Administration - Main

COST ACCOUNTING

(For those who joined in July 2016 onwards)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The basic objective of cost accounting is
   (a) Recording of cost
   (b) Reporting of cost
   (c) Cost control
   (d) Profit earning

2. Costing is a technique of
   (a) Inventory control
   (b) Management control
   (c) Ascertainment of cost
   (d) Calculation of cost

3. To calculate the probable cost of the product, knowledge of following factors involves
   (a) Production time required
   (b) Use of previous estimates of comparable parts
   (c) Effect of change in facilities on costing rates
   (d) All of the above

4. Process costing is suitable for;
   (a) Automobile industry
   (b) Ship building
   (c) Paper making
   (d) Utility services

5. Which of the following documents are required by Stores Department to issue materials?
   (a) Bills of materials
   (b) Material requisition note
   (c) Worker voucher
   (d) Bin Card

6. Which of the following are not considered under the FIFO method?

   (a) The physical flow of materials need not necessarily be in the order of the flow of cost

   (b) Oldest cost price

   (c) Standard price

   (d) All the above

7. Which of the following is/are time based incentive wage plan?

   (a) Hasley Premium Plan

   (b) Hasley Weir Premium Plan

   (c) Rowan Premium Plan

   (d) None of the these

8. Labour turnover can be measured by the following methods except:

   (a) Attrition method

   (b) Separation method

   (c) Replacement method

   (d) Flux method

9. If the item was not charged specifically to a single department this would be an example of:

   (a) Apportionment

   (b) Allocation

   (c) Re-apportionment

   (d) Absorption

10. An overhead absorption rate is used to:

   (a) Share out common costs over benefiting cost canters

   (b) Find the total overheads for a cost centre

   (c) Charge overheads to products

   (d) Control overheads

PART B — ($5 \times 5 = 25$ marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 250 words.

11. (a) Explain the limitations of Cost Accounting.

Or

   (b) Differentiate Tender from Quotation.

12. (a) Ascertain the cost and selling price from the following;

Materials consumed	Rs. 6,000
Wages pain	Rs. 9,000

Works on cost 50% of wages

Office on cost 20% on works cost

Selling on cost 10% on works cost

Profit 20% on cost.

Or

(b) Write short notes on: (i) Batch Costing (ii) EOQ.

13. (a) What is Bin Card? How it is useful for the production department?

Or

(b) What is Material Control? What are its objectives?

14. (a) Differentiate Halsey Plan from Rowan Plan.

Or

(b) Calculating the earnings of a worker under Halsey Premium Plan.

Time allowed	=	48 hours
Time taken	=	40 hours
Rate per hour	=	Rs. 10.

15. (a) Explain Selling and Distribution overheads. Give some examples.

Or

(b) Write short notes on: (i) Idle time (ii) Under - absorption of overheads.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 600 words.

16. (a) Explain the Elements of Cost.

Or

(b) What are the essentials of Good Costing System?

17. (a) The following was the expenditure on a contract for Rs. 12,00,000 commenced in January.

	Rs.
Materials	2,40,000
Wages	3,28,000
Plant	40,000
Overheads	17,200

Cash received on account of the contract up to 31st March December was Rs. 4,80,000 being 80% of the work certified. The value of materials in hand was Rs. 20,000. The plant had undergone 20% depreciation. Prepare contract account.

Or

(b) Draw a neat sketch of Cost Sheet with imaginary figures and important items.

18. (a) From the following information, prepare stores ledger using FIFO method;

Jan 1	Opening balance 100 units @ Rs. 5 each
Jan 5	Received 500 units @ Rs. 6 each
Jan 20	Issued 300 units
Feb 5	Issued 200 units
Feb 6	Received 600 units @ Rs. 5 each
Mar 10	Issued 300 units
Mar 12	Issued 250 units

Or

(b) Analyze the various stock levels with relevant Formula and Explanation.

19. (a) Calculate the total earnings and the rate earned per how for 3 workmen under Halsey and Rowan plans; the bonus under Halsey plan is 50% of the time saved.

Standard time 20 hours

Hourly rate of wages Rs. 4

Time taken by A - 16 hours, B - 10 hours and C - 8 hours.

Or

(b) What are the essential characteristics of a good system of wage payment? Describe the time rate and piece rate systems of wage payment.

20. (a) Calculate the Machine-hour rate from the following

Cost of the machine	Rs. 19,200
Estimated scrap value	Rs. 1,200
Repairs & Maintenance	Rs. 150 p.m.
Standing charges	Rs. 50 p.m.
Work life of the machine	10,000 hours
Running time per month	166 hours

Power used by machine; 5 units per hour @ 20 paise per unit.

Or

(b) What do you understand by classification and basis of apportionment in relation to overhead expenses?