

ST. JOSEPH'S EVENING COLLEGE (AUTONOMOUS)
IV SEMESTER BBA EXAMINATIONS - APRIL - 2018

COST ACCOUNTING

Duration: 2.5 Hours

Max. Marks: 70

SECTION - A

Answer any TEN of the following questions.

(10x3=30)

1. What is a cost centre?
2. Define overheads.
3. Give the meaning of ABC Analysis.
4. How do you calculate bonus under Rowan Premium Plan?
5. Give the meaning of job costing.
6. What is Memorandum Reconciliation statement?
7. Give four examples of office overheads.
8. What is a fixed overhead? Give two examples.
9. Name any four service departments in a factory.
10. Mention the method of costing you suggest for the following industries?
 1) Printing Press, 2) Oil Refinery, 3) Cinema Theatre
11. Name any four items of expenses that are not taken in Cost Accounts.
12. What is maximum level of stock?

SECTION - B

Answer any FOUR of the following questions.

(4x5=20)

13. List out the effects of labour turnover.
14. The following information is available in respect of a material
 Re-order quantity 1,500 units
 Maximum consumption 400 units per week
 Normal consumption 300 units per week
 Minimum consumption 250 units per week
 Re-order period 4 to 6 weeks.
 Calculate a) Re-order level, b) Maximum level, c) Minimum level
15. Modern Machines Ltd. has three production departments ABC and two service departments D and E. From the following figures extracted from the records of the company. Prepare Primary distribution summary.

Items	Total	A	B	C	D	E
D. materials	60,000	20,000	10,000	19,000	6,000	5,000
D. Wages	40,000	15,000	15,000	4,000	2,000	4,000
Value of Machinery	2,50,000	60,000	1,00,000	40,000	25,000	25,000
Floor area (Sq ft)	50,000	15,000	10,000	10,000	5,000	10,000
H.P of Machines	150	50	60	30	5	5
No. of light points	50	15	10	10	5	10
Labour hour	15,000	5,000	5,000	2,000	1,000	2,000

Expenses:

Depreciation on machinery: Rs.25,000

- Depreciation on building: Rs.5,000
 Rent, Rates and Taxes: Rs.10,000
 Electric power for machinery: Rs.15,000
 Electric power for Lighting: Rs.500
- 16 Modern Sports Ltd., supplies you the following details for the year 2017.
 Production 10,000 units
 Cost of Materials Rs.2,00,000
 Labour Cost Rs. 1,20,000
 Factory Overheads Rs. 80,000
 Office Overheads Rs. 40,000
 Selling Expenses Rs. 10,000
 Prepare a cost sheet showing total cost and cost per unit.
- 17 A workman's wages for a guaranteed 44 hours per week is Rs.10 per hour. The estimated time to produce an article is 30 minutes and under incentive scheme the time allowed is increased by 20%. During a workman produces 100 articles. Calculate his wages under Halsey System.
- 18 From the following figures prepare reconciliation statement:

Particulars	Amt (Rs.)
Net profits as per financial records	1, 74,480
Net profits as per cost records	1,72,400
Works overheads under recovered in costs	3,120
Administrative overheads recovered in excess	1,700
Depreciation recovered in cost	12,000
Depreciation charged in financial records	11,200
Interest received not included in cost	8,000
Obsolescence loss charged in financial records	5,700

SECTION - C

Answer any TWO of the following questions.

(2x10=20)

- 19 Following particulars relate to Aditya Ltd., for the year 2017

Stock on 01-01-2017

Raw-materials Rs.2,25,000

Finished goods Rs. 2,23,000

Stock on 31-12-2017

Raw-materials Rs.2,75,000

Finished goods Rs. 3,40,000

Purchase of raw-materials Rs. 19,50,000

Productive Wages Rs.14,00,000

Factory Expenses Rs.2,80,000

Office Expenses Rs. 5,37,000

Selling Expenses Rs. 2,00,000

Sales Rs.50,00,000.

The company has to submit a quotation for a large order in 2018. It is estimated that direct materials and direct labour would cost Rs.2,40,000 and Rs.1,80,000 respectively.

Prepare:

- 1) Cost sheet for the year 2017.
 - 2) Calculate the percentage of works cost on productive wages, and office and selling expenses to works cost for the year 2017.
 - 3) Prepare a statement of cost and profit for 2018 assuming 20% on the quotation price.
- 20 From the following details prepare stores ledger under FIFO Method for the month of April 2017
- 01 Opening balances 500 units at Rs. 25 per unit.
 - 03 Issued 100 units
 - 04 Issued 70 units
 - 05 Issued 80 units
 - 13 Purchased 200 units at Rs. 24 per unit
 - 14 Return of surplus 15 units at Rs. 23 per unit
 - 16 Issued 180 units
 - 20 Purchased 240 units at Rs. 26 per unit
 - 24 Issued 300 units
 - 25 Purchased 320 units at Rs. 25 per unit
 - 26 Issued 115 units
 - 27 Return of surplus 12 units at Rs. 24 per unit.
 - 28 Purchased 100 units at Rs. 23 per unit.

The stock verification reveals that there was shortage of 5 units on 15th April.

- 21 From the following figures, prepare a Reconciliation Statement and ascertain profits as per financial accounts.

Net profit as per Cost accounts Rs.2,00,000, income tax provided in Financial accounts Rs.60,000, share transferred fees credited in Financial accounts Rs.4,000. Overheads as per Cost accounts were estimated at Rs.34,000 whereas Rs.28,000 were charged in Financial accounts.

Company provided Rs.20,000 for doubtful debts. Directors fees shown in Financial accounts Rs.8,000. Depreciation charged in financial accounts Rs.7,000. Value of closing stock in Cost accounts Rs.18,750. Value of closing stock in Financial accounts Rs.20,750, interest on investment not included in Cost accounts Rs.4,000.

Goodwill written off in Financial accounts Rs.9,000. Stores adjustments credited in Financial accounts Rs.1,000.

- 22 A factory has three production departments and two service departments. The overhead departmental distribution summary shows the following :

Production depts. Rs	Service depts.
A = 1,375	X = 4,250
B = 1,330	Y = 5,250
C = 1,710	

The expenses of service departments. X and Y are to be apportioned as follows:

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

Prepare a secondary distribution summary under repeated distribution method and simultaneous equation method.