

END TERM EXAMINATION

SECOND SEMESTER [BBA] JULY 2023

Paper Code: BBA-102

Subject: Cost Accounting

BBA(B&I)-102

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions.

- Q1 Answer **any five** from the following:- (3x5=15)
- Perpetual inventory system
 - Taylor's Different Piece Rate System
 - Idle time and its causes.
 - Cost Centre
 - Sunk cost
 - Material losses
 - Absorption and allocation of overheads
- Q2 'Limitation of financial accounting have made the management realize the importance of cost accounting.' Comment. (15)
- Q3 The PET Chemicals supplies you the following details from its cost records:- (15)

Stock of raw material on 1st September 2022	Rs. 85,000
Stock of raw material on 30th September 2022	Rs.81,500
Direct wages	Rs. 52,500
Indirect wages	Rs. 2,750
Sales	Rs. 2,00,000
WIP on 1st September, 2021	Rs. 28,000
WIP on 30th September, 2021	Rs. 35,000
Purchase of raw materials	Rs. 66,000
Factory rent, rates and taxes	Rs. 15,000
Depreciation of plant and machinery	Rs. 3,500
Expenses on purchase	Rs. 1,500
Carriage outward	Rs. 1,000
Advertising	Rs. 5,000
Office rent and taxes	Rs. 2,500
Travellers wage and commission	Rs. 6,500
Stock of finished goods on 1st September 2022	Rs. 54,000
Stock of finished goods on 30th September 2022	Rs. 31,000

Prepare the cost sheet giving the maximum possible break up of cost and profit

- Q4 (a) A company uses 2,500 units of material per month. The cost of placing the order is Rs. 150. The cost per unit is Rs. 20. The reorder period is 4 to 8 weeks. The minimum consumption of raw material is 100 units whereas the average consumption is 275 units. The carrying cost of inventory is 20% per annum. You are required to calculate: (7.5)
- Re-order quantity
 - Re-order level.

(b) Calculate EOQ and total cost of inventory from the following particulars: (7.5)

Annual Usage	20,000 units
Buying cost per order	Rs. 10
Cost per unit	Rs. 100
Cost of Carrying inventory	10% of cost

Q5 The standard output of a product has been fixed at 60 units per day of 8 hours. The normal wages per day is Rs. 150. Determine the total wages payable under:- (15)

- (i) Time Rate System
- (ii) Rowan plan
- (iii) Halsey plan.

When output is 50, 80, 120 and 150 units. Calculate the labour cost per unit in each case.

Q6 The following are some of the ways in which costs may be classified:- (15)

- (a) Direct and indirect cost
- (b) Variable and Fixed Cost
- (c) Controllable and Uncontrollable cost

Q7 What do you understand by 'cost plus contracts' and 'escalation clause' in contract costing? (15)

Q8 Describe the general feature of process costing. In what type of industries is process costing generally adopted? Discuss with figures the method of treatment of process loss in process costing system? (15)
