

[A-5/A-6]

SARDAR PATEL UNIVERSITY
BBA (Gen) IV Semester (2010 Batch)
2018
Thursday, 12th April
10:00 A.M. to 12:00 P.M.
Cost Accounting -UM04CBBA02/07

Maximum Marks: 60

Note: Figure in bracket indicates marks of question.

Q.1 From the following particulars prepare a cost sheet for the month of March 2018. [15]

₹.

Stock in hand 1st March

Raw materials	26,000
Finished goods	18,300
Work in Progress	9,200

Stock on hand – 31st March

Raw materials	27,200
Finished goods	16,700
Work in Progress	10,100
Purchase of Raw materials	23,000
Carriage on purchases	1,500
Direct wages	18,500
Indirect wages	1,000
Sale of finished goods	76,000
Chargeable expenses	2,200
Factory overheads	9,500
Administration OH	4,000
Selling and Distribution OH	5,200

OR

Q.1 What is cost accounting? Explain the advantages and disadvantages of cost accounting in detail. [15]

Q.2a) From the details given below, calculate: [08]

(1) Re-ordering level (2) Maximum level (3) Minimum level (4) Danger level.

Re-ordering quantity is to be calculated on the basis of following information:

Cost of placing a purchase order is ₹. 20.

Number of units to be purchased during the year is 5,000 units.

Purchases price per unit inclusive of transportation cost is ₹.50.

Annual cost of storage per units is ₹.5.

Details of lead time: Average 10 days, maximum 15 days, minimum 6 days.

For emergency purchases - 4 days.

Rate of consumption: Average: 15 units per day,

Maximum: 20 units per day.

b) Explain materials control and ABC analysis. [07]

OR

Q.2a) In a factory there are three workers Mr.A, Mr.B and Mr.C . Following information is available about their work during the month of March, 2018. [12]

Particulars	Mr.A	Mr.B	Mr.C
Time Allowed	400 Hrs.	440 Hrs.	480 Hrs.
Standard Production	320 units	220 units	400 units

Wage Rate Per Hr. ₹.60 ₹.40 ₹.50
 Actual Production 360 units 250 units 390 units
 You are required to calculate total earning of all three workers for the month of March, 2018 as per

- (1) Halsey Plan
 (2) Rowan Plan

b) Essential elements of incentive wage plan. [03]

Q.3 The following figures are taken from the accounts of a manufacturing concern for the month of January, 2018. It has three production department A, B and C. It has two service department X and Y. [15]

Expenses of the Month:

Power and light ₹.15,000, Rent and Rates ₹. 6,000, Indirect Store Expenses ₹.4,000, Electricity ₹.2,000, Labour Welfare Expenses ₹.3,000, Depreciation ₹.9,000, General Indirect Expense ₹.1,500, Repairs ₹.1,800

Particulars	A	B	C	X	Y
Direct wages (₹.)	7,000	6,000	5,000	1,000	1,000
Direct Material (₹.)	3,000	2,500	2,000	1,500	1,000
No. of Workers	20	15	15	5	5
Electricity (KW)	800	600	600	200	300
Lights Points(No)	10	15	15	5	5
Cost of Machine(Rs.)	50,000	30,000	20,000	10,000	10,000
Floor Space(Sq. ft)	80	60	60	20	20

From the above data make apportionment of expenses among department on the suitable basis.

OR

Q.3 What is Overhead Analysis? Explain the Types of Overheads in detail. [15]

Q.4 The following is the Trading and Profit and Loss account of Maharshi Limited. For the year ended 31st December, 2017. [15]

Trading and Profit and Loss Account

To Material Consumed	6,00,000	By sales – 36,000 units	12,60,000
To Direct Wages	3,00,000	By Finished Stock-2000 Units	1,00,000
To Works overhead	1,50,000	By Dividend Received	18,000
To Administration Overhead	60,000	By Interest Received	20,000
Selling and Distribution Overhead	90,000		
To Preliminary Exp	20,000		
To Income Tax	40,000		
Net Profit	1,38,000		
	13,98,000		13,98,000

The company manufactured a standard unit. In Cost sheet:

1. Works overheads have been allocated to production at 20% on prime cost.
2. Administration overheads have been recovered at ₹.4 per unit on units produced.
3. Selling and distribution overheads have been recovered at ₹.6 per unit sold.

Prepare Cost Sheet and Reconciliation Statement.

OR

Q.4 Explain the causes of difference between costing profit and financial profit. [15]