

[A-2/A-3]

SEAT No. _____

No. of Printed Pages : 03

SL

SARDAR PATEL UNIVERSITY
VALLABH VIDYANAGAR
BBA -GENERAL EXAMINATION (2010 BATCH) (FOURTH SEMESTER)
Cost Accounting (Subject Code:- UM04CBBA02/07)
9th April, 2019
10.00 to 12.00 p.m.

Note: - Figures to the right indicate marks

Total marks:- 60

Q.1) Explain meaning, advantages and limitations of cost accounting. (15)

OR

Q.1) From the following information, prepare cost sheet showing prime cost, factory cost, cost of goods produced, cost of goods sold, cost of sales and profit per unit. (15)

- a. Cost of materials @ Rs 13 per unit
- b. Labour cost @ Rs 7.50 per unit
- c. Factory overhead are absorbed @ 60% of labour cost
- d. Administration overhead are absorbed @ 20% of Factory cost
- e. Selling overheads are charged @ Rs 2.50 per unit sold
- f. Opening stock of finished goods – 500 units @ 19.75
- g. Closing stock of finished goods – 250 units
- h. Sales – 10250 units

Profit is 20% on sales

Q.2)(A) The Complete Gardener is deciding on the economic order quantity for two brands of lawn fertilizers:- Super Grow and Nature's Own. The following information is collected. (04)

Particulars	Super Grow	Nature's Own
Annual Demand	2000 bags	1280 bags
Relevant ordering cost per order	1200 Rs	1400 Rs
Annual relevant carrying cost per bag	480 Rs	560 Rs

Compute EOQ for Super Grow and Nature's Own.

(B) From the following information you are required to calculate the maximum level, minimum level and ordering level for materials X and Y. (11)

Particulars	X	Y
Normal usage per week	150	200
Reordering quantity	900	1500

①

(P.T.O.)

Maximum usage per week	225	250
Minimum usage per week	75	100
Reordering period (week)	12 to 18	6 to 12

OR

Q.2) (A) Write a note on features of a good wage system. (05)

(B) A worker has been allowed to complete the work in 30 hours, but he completes the work in 21 hours. Labour rate per hour is Rs 75/-. Find out the wages as per 1) Time wage 2) Piece Wage 3) Halsey Plan 4) Rowan Plan. (10)

Q.3) Anil Mfg. Co. Ltd. has two production departments 'A' and 'B' and three service departments 'X', 'Y' & 'Z'. The following figures for the year ended on 31-3-2011 are available: (15)

Insurance of machinery	24,000
General expenses (Production Dept)	3,600
Lighting	5,400
Rent & rates	24,000
Stores Overheads	3,900
Depreciation on Machinery	48,000
Indirect wages	9,000

Other Information:

Particulars	A	B	X	Y	Z
1. Lighting Points	60	40	10	20	20
2. Direct Wages (Rs.)	16,000	20,000	-	-	-
3. Cost of Machine(Rs.)	80,000	1,20,000	10,000	14,000	16,000
4. Power (in Rs.)	10,000	5,000	-	-	3,000
5. Area Occupied (Sq. feet)	200	300	250	150	100
6. Direct Material Consumed (Rs.)	18,000	21,000	-	-	-
7. Indirect Material Consumed (Rs.)	3,000	4,000	6,000	5,000	4,000

The expenses of service departments are to be allocated as follows:

(2)

Particulars	A	B	X	Y	Z
Department 'X'	30%	20%	-	20%	30%
Department 'Y'	40%	30%	-	-	30%
Department 'Z'	50%	50%	-	-	-

Prepare: Statement of distribution of overheads to various departments and Statement of distribution of expenses of service departments to production departments.

OR

- Q.3) (A) Write a detailed note on classification of overheads. (8)
 (B) Write a note on Machine Hour Rate. (7)

- Q.4) Dhaval Co. provides following information about his production cost per unit: (15)

Material consumed	30.00
Wages	20.00
Factory overhead expenses 25% of prime cost	
Office overhead expenses	6.00
Selling and distribution expenses	2.50

Profit and Loss Account as per Financial Account is as per under:-

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening stock of finished Goods (5,000 units)	3,50,000	By Sales	38,80,000
To Material expenses	15,00,000	By Closing stock of finished goods (6,500 units)	4,50,750
To Wages expenses	10,00,000	By Bank interest	15,000
To Factory expenses	6,40,000	By Income tax refund	8,000
To Office expenses	3,25,000		
To Selling expenses	1,15,250		
To Penalty	15,000		
To Written of preliminary Expenses	3,000		
To Income tax provision	35,000		
To Net profit	3,70,500		
	<u>43,53,750</u>		<u>43,53,750</u>
	=====		=====

You are required to prepare a Cost Sheet, and Reconciliation statement of both the profit.

OR

- Q.4) Write a detailed note on causes of difference between profit as per cost and financial accounts. (15)

