

C8J

SARDAR PATEL UNIVERSITY

BBA (ISM) III Semester

Monday, 4th January, 2021

10:00 A.M. to 12:00 P.M.

Cost Account - UM03CBBS08

Maximum Marks: 60

Note: Figure in bracket indicates marks of question. Attempt any four questions.

- Q.1 A manufacturing company provided the following details for 5,000 unit of production during the year ended on 31st march 2020. [15]

Particulars	Amt. (₹.)
Material consumed	1,80,000
Direct wages	1,20,000
Lighting of factory	11,000
Labour welfare expenses	10,000
Power and fuel	24,000
Office salaries	20,000
Selling expenses	35,000
Factory indirect wages	30,000
Plant repairs and depreciation	10,000

All units were sold at a price of ₹.100 per unit. Estimated for next year:

- Selling price per unit will be ₹.98 per unit.
- Direct material and labour cost will increase by 10%.
- Production and sales for next year will be 10000 units.

Prepare:

- Cost sheet for the year ended on 31st march 2020.
- Estimated cost sheet for the year ended on 31st march 2021. Assuming the 10,000 units will be produced and sold and factory overheads will be recovered as a percentage of direct Administrative overheads and selling overheads will be recovered as a percentage of factory cost.

- Q.2 What is cost accounting? Explain the methods and techniques of cost accounting. [15]

- Q.3 a) Ripal ltd uses different types of materials A, B and C, in respect of which following information is available: [10]

- Calculate: 1) Reorder Level of A, B and C
2) Minimum Level of A, B and C
3) Maximum Level of B.

Particulars	A	B	C
Delivery time(weeks)	3-4	4-6	7-8
Avg. weekly Consumption (Units)	?	80	140
Maximum weekly Consumption (Units)	110	92	?
Minimum weekly Consumption (Units)	90	?	80
Ordering Quantity(Units)	---	100	---

- b) Explain materials control and ABC analysis. [05]

[1]

[P.T.O.]

Q.4a) Vipul has taken 50 hours to complete the job. The wage rate per hour is ₹.30, if he received ₹. 2,000 as total wages according to Rowan Plan. What will be the amount of wages earned by him according to piece wage and Halsey plan? [08]

b) Explain the reasons and remedies for Labour turnover. [07]

Q.5 In factory of Ram Ltd. there are three production department A, B and C and two service department D and E. The details of the expenses during March, 2020 are as under:

Power	36,000
Depreciation of Machine	29,700
Rent	20,000

Particular	A	B	C	D	E
Cost of Machine (₹.)	72,000	48,000	36,000	1,200	1,200
Horse Power of Machine	4	6	2	-	-
Space occupied sq.ft.	600	400	500	300	200

The benefits of service department D and E is derived by the other departments in the following proportion.

Department	A	B	C	D	E
D	20%	30%	40%	-	10%
E	30%	30%	30%	10%	-

Prepare a statement showing:

- Distribution of overhead to various departments.
- Distribution of expenses of service departments to production departments as per repeated redistribution method. [15]

Q.6 a) The following expenses have been incurred in respect of a shop having five identical machines.

	₹.
Rent and Rates	80,000 p.a.
Depreciation per machines	10,000 p.a.
Repairs and Maintenance of Machinery	25,000 p.a.
Power consumption by the shop at 15 paise per unit	90,000 p.a.
Lighting for the shop	27,000 p.a.
Attendants three each getting	10,000 p.m
Supervisor's salary	18,000 p.m.
Lubricants etc.	12,000 p.a.

Hire purchase installments for the machines

18,000 p.a

(Including ₹. 5,000 for interest)

Each machine consumes 10 units of power per hour.

Calculate the machine hour rate.

[10]

b) Explain types of overheads in brief.

[05]

Q.7 Trading and profit and loss A/c of Maharshi co. ltd, for the period ended on 31st March,20.

Debit	₹.	Credit	₹.
To material consumed	9,00,000	By sales (54,000 units)	18,90,000
To direct labour	4,50,000	By finished (6,000 units)	1,50,000
To factory exp	2,25,000	By dividend received	27,000
To admin. Exp	90,000	By interest received	30,000
To selling and dist. exp	1,35,000		
To preliminary exp written off	30,000		
To income tax	60,000		
To net profit	2,07,000		
	20,97,000		20,97,000

The co. manufactured a standard unit.

In cost accounts:

1. Factory overhead have been allocated to production at 20% on prime cost.
2. Administration Overhead at ₹. 2 per unit on units produced.
3. Selling and dist. Overheads at ₹.3 per unit sold. You are required to prepare a cost sheet and to reconcile the profit that is shown in the financial books. [15]

Q.8 Explain the causes of difference between costing profit and financial profit. [15]

————— X —————

[3]

