## LOYOLA COLLEGE (AUTONOMOUS), CHENNAI - 600034

## B.B.A. DEGREE EXAMINATION - BUSINESS ADMINISTRATION <br> FIFTH SEMESTER - APRIL 2016

BU 5504/BU 5501 - COST ACCOUNTING

Date: 03-05-2016
Time: 09:00-12:00
Dept. No. $\square$ Max. : 100 Marks

## PART - A

## ANSWER ALL QUESTIONS

1. List out components of Total cost?
2. Mention the main purposes of cost classification?
3. State the various stock levels?
4. Write notes on :
5. Idle time and
6. Over time
7. Find out the economic order quantity?

Annual demand 12,000 Units
Ordering cost Rs. 90 Per order
Inventory carrying cost per Annum - Rs. 15 Per Unit
6. Calculate the total earnings under Halsey Plan?

Standard Time - 10 Hours
Time Taken - 8 Hours
Time Rate - Rs. 2.50 Per Hour
7. Works overhead of a department

Rs. $4,00,000$
Direct Wages
Rs. 2,00,000
Direct Material Cost
Rs. $10,00,000$
Ascertain the Prime cost percentage rate of works overheads.
8. Ascertain machine hour rate of absorption of overheads from the following details:

Works Overheads
Rs. 5,00,000
Machine Hours 100000 Hrs.
9. Compute the economic batch quantity for a company using batch costing with the following information.
Annual demand for the component 2,000 units setting up cost - Rs 100,
Carrying cost per unit of production - Rs 10/- per Anum
10. The following expenditure is incurred for producing articles called mini motors:

Materials (200 Units)
Labour
Indirect Expenses

Rs 4,000
Rs 3,000
Rs 2,000

Normal wastage is $5 \%$ of the input one unit of wastage is sold Rs. 16.50 each prepare process account.

## PART - B

## ANSWER ANY FOUR QUESTIONS

11. Elaborate the difference between cost accounting and financial accounting?
12. Discuss the various procedure of job cost system?
13. The following data relating to a factory for the year 2009 are available:

Materials consumed
Rs. 2,00,000
Direct Wages
Rs. 1,50,000
Factory Expenses
Rs. 90,000
Administrative Expenses
Rs. 88,000
Based on the above data, find out the cost of a job to be done in January 2010.
Materials Required
Rs. 20,000
Wages for the Job
Rs. 15,000
What price will be quoted for the job, if a profit at $20 \%$ on selling price is required?
14. Two components $\mathrm{M} \& \mathrm{~N}$ are used as follows :

Normal Usage
Minimum Usage
Maximum usage
Re-order quantity
Re-order period

150 Units per week each
100 Units per week each
200 Units per week each
M - 900 Units N-1, 250 Units
M-4 to 6 weeks
$\mathrm{N}-2$ to 4 weeks

Calculate different stock levels for M and N .
15. From the following details relating to the production department of a factory, you are required to calculate overhead absorption rates under different possible methods.

Materials consumed
Direct wages
Machine Hours
Labour Hours Worked
Factory overhead relating to the department

Rs. 1,20,000
Rs. 50,000
Rs. 25,000
Rs. 12,500
Rs. 80,000
16. During a week a worker produced 300 units working for 48 hours. The hourly rate is Rs. 4 . The estimated time to produce a unit is 10 minutes under incentive scheme $20 \%$ additional time is allowed. Calculate his gross earnings under Halsey and Rowan Plans.
17. The following was the expenses on contract for Rs. 12,00,000 commenced in Jan 1997.

Materials
Rs. 2,40,000
Wages
Rs. 3,28,000
Plant
Overhead
Cash received on account of contract to $31 / 12 / 1997$ was Rs. $4,80,000$ being $80 \%$ of work certified. Value of materials in hand was Rs. 20,000 plant had under gone $20 \%$ depreciation. Prepare contract account.

## PART - C

## ANSWER ANY TWO QUESTIONS

18. Explain in detail the various premium bonus system.
19. Prepare a cost sheet showing cost of production and profit from the following data :

|  | Opening <br> Rs.Rs. | Closing |
| :--- | :---: | :---: |
| Stock of raw materials | 75,000 | 78,750 |
| Work in progress | 24,600 | 27,300 |
| Stock of finished goods | 52,080 | 47,250 |
| Purchases for the year | 65,700 | --- |
| Sales | $2,16,930$ | --- |
| Direct wages | 51,450 | --- |
| Work expenses | 25,020 | --- |
| Selling and Distribution expenses | 12,630 | --- |
| Scrap Sold | 990 | --- |
| Office expenses | 20,610 | - |

20. Prepare a statement showing how the issues would be priced under last in first out method.

1 Feb 1998 Opening balance 100 Units @ Rs. 10 each
1 Feb 1998 Received 200 units @ Rs. 10.50 each
2 Feb 1998 Received 300 units @ Rs. 10.60 each
4 Feb 1998 Issued 400 units to Job A
6 Feb 1998 Issued 120 units to Job K
7 Feb 1998 Received 400 units @ Rs 11 each
10 Feb 1998 Issued 200 units to Job B
12 Feb 1998 Received 400 units @ Rs 11.50 each
17 Feb 1998 Issued 300 units to Job D.
21. On the basis of following information, calculate the earnings of $\mathrm{A}, \mathrm{B}, \mathrm{C}$ and D under merricks differential price rate system
Standard production per hour 12 units, normal rate per hour Rs. 6/-
In an 8 Hour day :
A produced
B produced
C produced
D produced

64 Units
96 Units
84 Units
100 Units.

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