



DCBB – 301

III Semester B.B.A. Examination, April/May 2023  
(NEP)

**BUSINESS ADMINISTRATION**  
**Cost Accounting**

Time : 2½ Hours

Max. Marks : 60

**Instruction : Answers should be written in English Only.**

SECTION – A

Answer **any 5** of the following. **Each** carries **2** marks :

**(5×2=10)**

1. a) What is meant by cost control ?
- b) Give the meaning of cost accounting.
- c) How do you treat scrap in cost sheet ?
- d) What do you mean by EOQ ?
- e) Give the meaning of Material return note.
- f) Give the meaning of overtime.
- g) What do you mean by machine hour rate ?

SECTION – B

Answer **any 3** of the following. **Each** carries **4** marks :

**(3×4=12)**

2. List out any 4 advantages and disadvantages of cost accounting.
3. From the following calculate the 1) Reorder level, 2) Minimum level of stock
  - \* Normal usage : 300 units per week
  - \* Maximum usage : 450 units per week
  - \* Minimum usage : 150 units per week
  - \* Reorder time 4 to 6 weeks
  - \* Reorder quantity : 2400 units

4. PM Ltd submits the following details :

Production Dept.	P – 100000	Service Dept. Stores – 40000
	Q – 200000	Power – 50000
	R – 300000	

The expenses of service department charged as under :

	P	Q	R	Stores	Power
Stores	20%	30%	40%	–	10%
Power	40%	20%	20%	20%	–

Prepare secondary distribution summary.

P.T.O.



5. Prepare cost sheet showing profit from the data given below :

Raw materials ₹ 1,80,000

Direct wages ₹ 90,000

Machine hours – 10000

Machine hour rate ₹ 8 /hr

Admin O. H's ₹ 35,000

Selling O. H's ₹ 5 unit

Units produced 4000

Units sold 3600

Selling price ₹ 125/unit.

6. From the following, prepare labour cost sheet per man day of 8 hours.

a) Basic pay – ₹ 30 per day.

b) D. A – ₹ 1.50 for every point over 100 cost of living index. Current cost of index 700 points.

c) Leave salary – 8% of a and b.

d) Employer contribution to P.F – 6% of a, b, and c.

e) Number of working days in a month – 25 days of 8 hours each.

### SECTION – C

Answer **any 3** of the following. **Each** carries **10** marks :

**(3×10=30)**

7. The following expenses were incurred for a job during the year ending 31<sup>st</sup> Dec. 2018,

Direct materials ₹ 5,000

Direct wages ₹ 3,000

Chargeable expenses ₹ 2,000

Factory overheads ₹ 3,000

Admin overheads ₹ 4,000

Selling overheads ₹ 3,000

Selling price ₹ 25,000

You are required to prepare a statement showing profit during the year 2018 and an estimated price of the job which is to be executed in 2019. Materials, wages, chargeable expenses will be ₹ 10,000, ₹ 12,000, ₹ 4,000 respectively. The overheads are recovered on appropriate basis.



8. Prepare stores ledger under simple average method and weighted average method.

Receipts

- 3<sup>rd</sup> Oct. – 500 units @ 4/unit
- 4<sup>th</sup> Oct. – 200 units @ 4.50/unit
- 10<sup>th</sup> Oct. – 100 units @ 4.25/unit
- 13<sup>th</sup> Oct. – 800 units @ 4.30/unit
- 23<sup>rd</sup> Oct. – 800 units @ 3.80/unit

Issues

- 5<sup>th</sup> Oct. – 400 units
- 10<sup>th</sup> Oct. – 100 units
- 15<sup>th</sup> Oct. – 800 units
- 25<sup>th</sup> Oct. – 500 units

9. From the following calculate the earnings of workers 'A' and 'B' under :

- i) Straight piece rate system
- ii) Taylor's piece rate system
- iii) Merricks differential piece rate system

Standard time per unit 36 seconds

Normal rate per hour ₹ 3

Differential rate to be applied :

80% of piece rate when below standard

120% of piece rate when above standard

The workers have produced in a day of 8 hours as follows :

A = 700 units

B = 900 units.

10. A company has 3 production departments and 2 service departments. The departmental overheads are as follows :

Dept. A – 6300

Dept. M – 4500

Dept. B – 7400

Dept. N – 2000

Dept. C – 2800



The expenses of service departments M and N are charged as under

	A	B	C	M	N
Dept. M	20%	40%	30%	—	10%
Dept. N	40%	20%	20%	20%	—

Apportion the service department expenses to production departments using

- Simultaneous equation method
- Repeated distribution method.

11. From the following particulars, calculate machine hour rate including shop expenses.

Cost of mobile crane ₹ 25,000

Estimated life – 10 years

Insurance – ₹ 1,000 p.a.

Repairs and maintenance – ₹ 4,000 p.a.

Consumable stores – ₹ 1,200 p.a.

Rent – ₹ 1,800 p.a.

Rates and taxes and shop expenses

For 5 similar machines – ₹ 3,000 per quarter.

Cost of diesel and oil – ₹ 6 per hour

Assume that crane will work (normal) 300 hours per month and works only 80% of its capacity.

#### SECTION – D

Answer **any one**, carries **8** marks :

(1×8=8)

12. a) Assume the role of stores manager and discuss the stores routine briefly with reference to material receipts and issues and controlling methods.

OR

- b) Write a note on :

- ROQ
- Purchase requisition
- Halsey Premium Plan
- Idle time.