

AS-125

April-2024

B.B.A., Sem.-II**DSC-M-BBA-123 : Cost Accounting****Time : 2:00 Hours]****[Max. Marks : 50**

1. What is Cost Accounting ? Discuss the advantages of Cost Accounting.

10**OR**

1. (A) Explain any five objectives of Cost Accounting in brief.
(B) Discuss any two methods of costing with examples.

5**5**

2. ABC Ltd. manufactured and sold 5,000 units of clocks in the year 2022-23. The details of the same are as under :

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Particulars	₹
Cost of materials	4,00,000
Direct Wages	6,00,000
Manufacturing expenses	2,50,000
Administrative expenses	4,50,000
Selling expenses	1,50,000
Total Sales	20,00,000

For the year 2023-24, it is estimated that :

- (1) The company will manufacture and sell 6,000 units of clocks.
- (2) Price of material will rise by 20% on the previous year's level.
- (3) Wages will rise by 5%.
- (4) Manufacturing expenses will rise by 10%.
- (5) Selling expenses per unit will remain unchanged.
- (6) Other expenses will remain unaffected by the rise in the output.

Prepare :

- (1) A Cost Sheet for the year 2022-23.
- (2) Estimated cost sheet for the year 2023-24, showing the per unit and total cost. Also at what price the company should sell its clock if profit of 10% on cost price is to be earned.

OR

2. (A) Write a short note on : Tender Price.
(B) Give the proforma of a Cost Sheet with imaginary figures.

5**5**

3. The Trading a/c and Profit and Loss a/c of PQR Ltd. is as under, the year ending on 31-3-2023 :

Dr. Trading and Profit & Loss Account Cr.			
Particulars	₹	Particulars	₹
To Materials	2,00,000	By Sales	
To Direct Wages	1,20,000	(13,500 units)	5,00,000
To Factory Expenses	80,000	By Finished stock	
To Gross Profit	1,40,000	(1,500 units)	40,000
	5,40,000		5,40,000
To Office Expenses	70,000	By Gross Profit	1,40,000
To Selling & Distribution Expenses	45,000	By Interest Received	2,000
To Preliminary expenses written off	20,000	By Dividend Received	2,000
To Goodwill written off	1,000	By Rent Received	2,000
To Net Profit	10,000		
	1,46,000		1,46,000

The cost accounts give following information :

- (1) Materials and wages are taken at their cost price.
- (2) Factory expenses are taken as 50% of wages.
- (3) Office expenses have been charged at 20% of Factory cost.
- (4) Selling & Distribution expenses at the rate of ₹ 3 per unit.

Prepare :

- (1) Cost Sheet
- (2) Reconciliation Statement

OR

3. (A). Discuss the causes of difference in profit as per cost and financial accounts. 5
- (B) Net Profit shown by the Profit & Loss a/c of Neela Ltd. is ₹ 5,00,000. Prepare Reconciliation statement and find out profit as per cost accounts after considering the following information : 5

	₹
(1) Discount on debentures	6,250
(2) Dividend Received	28,750
(3) Interest paid	12,500
(4) Over valued closing stock in Financial Account	29,500

4. A workman allowed 90 hours to complete a job on daily time wages and he completes the job in actual 60 hours. His time wages is ₹ 15 per hour. Calculate the wages payable to worker by following methods : 10
- (1) Halsey Plan
 - (2) Rowan Plan
 - (3) Piece Wage System

OR

4. (A) The following are the transactions receipts and issues of an item of raw material : 5

Date	Particulars	Units	Price per unit ₹
1/3/2024	Purchases	300	3
4/3/2024	Purchases	600	4
6/3/2024	Issued	500	—
10/3/2024	Purchases	700	5
15/3/2024	Issued	800	—

Prepare Stock Register, assuming that the issues are priced by FIFO method.

4. (B) What is Labour turnover rate ? Discuss any two methods of computing Labour Turnover Rate. 5
5. Do as Directed : (Any ten) 10

- (1) Cost unit of Dairy industry is _____. (per litre/ per barrel)
- (2) Marginal cost is known as variable cost. (True/False)
- (3) State any one limitations of Cost Accounting.
- (4) What would be prime cost, if direct material is ₹ 30,000 and direct labour is ₹ 20,000 ? (₹ 50,000 / ₹ 10,000)
- (5) _____ item is not shown in cost sheet. (Interest/ Direct Material)
- (6) Works Cost + Administrative overheads= Production Cost. (True/False)
- (7) Provision for taxation is recorded in _____ accounts. (Cost/ Financial)
- (8) When loss as per Cost Accounts is ₹ 40,000 and Goodwill written off is ₹4,000, the loss as per the financial book would be _____. (₹44,000/ ₹36,000)
- (9) If total cost is ₹ 3,00,000 and profit is ₹ 30,000, then what is the percentage of profit on cost ? (10% / 11%)
- (10) Write the full form of LIFO method.
- (11) Write the formula of Time Wage System.
- (12) If Management is efficient, labour turnover rate can _____. (reduce/increase)