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Printed Pages : 7

Roll. No. _____

MS-3186

B.B.A. (I.B.) (Semester-II) Examination,
2015

COST ACCOUNTING

Time Allowed : Three Hours] [Maximum Marks : 70

Note : Answer five questions in all. Question No.1
is compulsory, it carries 30 marks. At-
tempt one question from each Unit.

1. Write short answers on the following:

3 × 10 = 30

- (a) What are the limitations of Cost accounting?
- (b) Explain the purpose served by Cost sheet.
- (c) What are the features of Job Costing?
- (d) Define Normal and Abnormal losses.
- (e) Distinguish between joint products and

P.T.O.

(2)

by-products.

- (f) To what industries Operating Costing method is applicable?
- (g) Explain Flexible budget.
- (h) Give limitations of Standard Costing.
- (i) Explain Break Even analysis.
- (j) Define Cost Centre and Cost Unit.

Unit-I

- 2. "A Costing system that simply records Costs for the purpose of fixing sale prices has accomplished only a small part of its mission." Discuss. What other functions does Costing perform? 10
- 3. A Company makes two distinct types of vehicles, A and B. The total expenses during a period as shown by the books for the assembly of 600 of the type A and 800 of the type B vehicle are as under: 10

(7)

During the month of April, 10 units were actually produced and consumption was as follows :

Material A	640 units	@ Rs. 17.50 per unit	= Rs.11,200
Material B	950 units	@ Rs. 18.00 per unit	= Rs.17,100
Material C	870 units	@ Rs. 27.50 per unit	=Rs.23,925
	<u>2460 units</u>		<u>Rs. 52,225</u>

Calculate all material variances.

- 9. Define budgetary Control. Discuss the factors to be considered while preparing Purpose budgeted. 10

(4)

5. Product B is obtained after it passes through three distinct process. The following information is obtained from the accounts for the week ending 31st October,2014: 10

Items	Total (Rs.)	Process(Rs.)		
		I	II	III
Direct Materials	7,542	2600	1980	2962
Direct Wages	9,000	2000	3000	4000
Production Overhead	9,000			

1000 units at Rs. 3 each were introduced to Process I. There was no stock of material or work-in-progress at the beginning or at the end of the period. The output of each process passes direct to the next process and finally to finished stock. Production overhead is recovered on 100% of direct wages. The following additional data are obtained :

MS-3186

(5)

Process	Output during the week	% of Normal loss to Input	Value of scrap per unit
I	950 units	5%	Rs.2
II	840 units	10%	Rs. 4
III	750 units	15%	Rs. 5

Unit-III

6. What are the different methods of Calculating Profit on incomplete Contracts? Give illustrations. 10
7. From the following figures, Prepare a Reconciliation statement : 10

	Rs.
Net Profit as per Financial Books	63,780
Net Profit as per Costing Books	66,760
Factory Overheads Under-recovered in Costing	5,700
Adm. Overheads recovered in excess	4,250
Depreciation charged in financial books	3,660

MS-3186

P.T.O.

(6)

Depreciation recovered in Costing	3,950
Interest received but not included in Costing	450
Income-Tax provided in financial books	600
Bank interest Credited in financial books	230
Stores adjustment (Credited in financial books)	420
Depreciation of stock charged in financial accounts	860
Dividend appropriate in financial accounts	1,200
Loss due to theft and pilferage provided only in financial books	260

Unit-IV

8. The standard mix to produce one unit of product is as follows :

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(Rs.)

Material A	60 units	@ Rs. 15 per unit =	900
Material B	80 units	@ Rs. 20 per unit =	1,600
Material C	100 units	@ Rs. 25 per unit =	2,500
	<u>240 units</u>		<u>5,000</u>

MS-3186

(3)

Materials	1,98,000
Direct Wages	12,000
Stores Overheads	19,800
Running expenses of machine	4,400
Depreciation	2,200
Labour amenities	1,500
Works general overhead	30,000
Administration & Selling overhead	26,800
The other data available to you is:	A:B
Material cost ratio per unit	1:2
Direct labour ratio per unit	2:3
Machine utilisation ratio per unit	1:2

Calculate the cost of each vehicle per unit giving reasons for the bases of appropriation adopted by you.

Unit-II

4. What are the uses of CVP analysis? Discuss the various ways of presenting C.V.P. relationship.

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MS-3186