647510 **BBA5CasC503x** **Seat No :________**

B.B.A. Semester - 5 (Remedial) (*CBCS*) Examination
Feb/Mar. -2021 (NEW COURSE)
Cost Accounting System (Core)

Time: 1:30 Hours **Marks: 42**

Instructions:

1. Figures to the right indicate marks.
2. There are five questions in the question paper.
3. Answer any three of the following questions.

Q.1 Explain the meaning of Cost Accounting, Discuss its nature and objectives in detail (14)

Q.2 Following is the information of IPL Ltd: (14)

Find out :

1. EOQ 2. Ordering Level 3. Maximum Level
4. Minimum Level. 5. Danger Level 6. Safety Stock.

Bi-Monthly Consumption-2000 units
Cost per Unit- Rs.1
Ordering Cost-Rs.12
Carrying Cost -20 %
Delivery Period (Maximum, Average & Minimum) - 40-25-10 Days.
Daily Consumption (Maximum, Average & Minimum) - 45-30-15 Units.
Maximum Delivery period for emergency purchase-5 Days.

Q.3 Information regarding workers of V &M Ltd. Is as under: (14)

- Number of workers as on 01/03/2019- 550
- Number of workers as on 31/03/2019- ?
- Number of workers who resigned-55
- Number of workers dismissed-22
- Number of workers retired-38
- Number of workers newly appointed (Out of which 250 were taken under expansion plan- 315
- Labour Turnover As per Flux Method- 30%.

Find out :

1. No. of workers as on 31/03/2019.
2. Labour Turnover Rate as per Replacement Method and as per Separation Method.
3. Equivalent Annual turnover rate on the basis of Replacement Method and Separation Method.

Q.4 In a Plastic factory P, Q & R are production departments and S & T are service departments. Following are the details of March 2019. (14)

Particulars	Amount in Rs.
Indirect Labour	1,300
Insurance	3,300
Canteen Expenses	6,000
Lighting	2,000
Factory Manager’s Salary	18,000
Rent & Taxes	5,000
ESI Contribution	650
Depreciation	16,500
Power	9,000

Other Information:

Particulars	P	Q	R	S	T
Light Points	6	5	4	3	2
Direct Labour(in Rs.)	4,500	4,000	2,900	1,200	400
Value of Plant (in Rs)	72,000	48,000	36,000	1,200	1,200
Horse Power	4	6	2	----	----
Space occupied (in sq.ft)	600	400	500	300	200
Proportion of time spent by Manager	5	4	3	2	1
No.of employees	5	6	4	3	2

Expenses Of D and E are to be distributed as under:

Particulars	P	Q	R	S	T
Dept. S	20%	30%	40%	--	10%
Dept. T	30%	40%	30%	--	--

Prepare statement showing apportionment of indirect expenses to Production Department.

Q.5 Attempt any two out of the following questions: (14)

1. Adventure Transport Company owns a fleet of 4 Metador which are used to carry students of Narmada College from Bharuch station to college and back a total distance of 16 km. Each matador makes 2 (two) round trips a day and carries 20 passengers in a single trip .All the metador works 25 days in a month . Following are the expenses from which you are required to find out cost per passenger km.

Salary of 4 drivers per month	2,000 (Rs.)
Salary of 4 cleaners per month	1,600 (Rs.)
Diesel Charges per litre	3.50 (Rs.)
Road Tax per day per passenger	2 (Rs.)
Licence fees per metador per year	480 (Rs.)
Garage Rent (Total) per annum	12,000 (Rs.)

- Insurance Charges (yearly) 5% on cost of vehicle.
- Maintenance 50 % of depreciation charges.
- Each metador costs Rs.90,000 and has a scrap value of Rs.9,000 at the end of its life of 9 years. Each metador runs 10 km in one litre Diesel.
- College contributes 50 % of the freight to be charged from student.

If ¼ of the cost is charged as profit by Adventure Transport Company, what will the student pay per month to the college as transport charges.

2. Kapil Ltd. manufactured and sold 1,000 instruments for the year ending 31/03/2017. Summarised Trading and Profit & Loss Account for the year ending is as under:

Particulars	Amount (Rs)	Particulars	Amount(Rs)
To Direct Materials	2,00,000	By Sales	7,75,000
To Direct Wages	3,00,000		
To Manufacturing Charges	1,50,000		
To Gross Profit	1,25,000		
TOTAL	*7,75,000*		*7,75,000*
To Administrative expenses. Fixed-50,000		By Gross Profit	1,25,000
Variable-10,000	60,000		
To selling expenses Fixed-5,000			
Variable-20,000	25,000		
To Net Profit	40,000		
TOTAL	1,25,000		1,25,000

For the year 2017-2018, it is estimated that:

1. Production and sales will be of 1,250 instruments.
2. Price of the material will rise by 25%.
3. Wage Rate will rise by 10 %.
4. Manufacturing Charges will increase in proportion to the combined cost (or expenses) of material and wages. Prepare Cost Sheet for the year ending 31/03/16 and prepare an estimated cost sheet ,showing the price at which instruments to be sold in 2017-2018 as to earn a profit of 20% on Selling Price.

3. Explain the advantages and limitations of Cost Accounting.
4. Difference between Financial Accounting & Cost Accounting.

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