647510 **BBAcstCC5060** **Seat No :________**

B.B.A. Semester - 5 (*CBCS*) Examination
Oct/Nov. - 2021(Old Course)
COST ACCOUNTING (CORE)

Time: 2:30 Hours **Marks: 70**

Instructions:
1. All questions are compulsory.
2. Figures to the right indicate marks.

Q.1 Discuss the meaning of Cost Accounting and its advantages and limitations. (14)

OR

Q.1 Explain the objectives of Cost Accounting and also explain direct cost and indirect cost in detail with two examples each.

Q.2 1. Calculate 1. Re-ordering level 2. Minimum Level (14)
3. Maximum Level 4. EOQ from the following data

1. Annual Consumption 13,000 units
2. Cost of Placing the order Rs.25
3. Carriage expenses yearly of one unit Rs 65.
4. Re-ordering time 4 to 6 weeks.
5. Weekly average consumption 250 units.
6. Weekly minimum Consumption 125 units.

2. Calculate Material Turnover Ratio and Turnover Period from the following.

Particulars	Material X(Rs)	Material Y(Rs)	Material Z(Rs)
Opening Stock	37,500	80,000	17,500
Purchases	1,17,500	2,00,000	52,500
Closing Stock	17,500	40,000	7,500

OR

Q.2 From the Following is the information of Niraj 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 During the 1st week of February 2021, the workman Anand manufactures 300 articles. He receives wages for a guaranteed 48 hours week at the rate of 4 per hour, the estimated time to produce one article is 10 minutes and under incentive scheme the time allowed is increased by 20%. Calculate his gross wages according to : (14)

1. Rowan Plan 2. Halsey Plan

OR

Q.3 Information regarding workers of RCB Ltd. Is as under:

-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 Discuss Classification of Overheads in detail (14)

OR

Q.4 In a Plastic factory A, B & C are production departments and D & E are service departments. Following are the details of March 2021.

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	**A**	**B**	**C**	**D**	**E**
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	**A**	**B**	**C**	**D**	**E**
Dept. D	20%	30%	40%	--	10%
Dept. E	30%	40%	30%	--	--

Prepare statement showing apportionment of indirect expenses to Production Department.

Q.5 A Mineral is transported from two mines – 'A' and 'B' and unloaded at plots in a Railway Station. Mine A is at a distance of 10 km., and B is at a distance of 15 km. from railhead plots. A fleet of lorries of 5 tonne carrying capacity is used for the transport of mineral from the mines. Records reveal that the lorries average a speed of 30 km. per hour, when running and regularly take 10 minutes to unload at the railhead. At mine 'A' loading time averages 30 minutes per load while at mine 'B' loading time averages 20 minutes per load. (14)

Drivers' wages, depreciation, insurance and taxes are found to cost ` 9 per hour operated. Fuel, oil, tyres, repairs and maintenance cost ` 1.20 per km. Draw up a statement, showing the cost per tonne-kilometer of carrying mineral from each mine.

OR

Q.5 SKD Ltd. manufactured and sold 1,000 instruments for the year ending 31/03/2017. Summarized 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.

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