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

B.B.A. Semester - 5 (Remedial) (*CBCS*) Examination
March/April-2023 (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. Explain the meaning of Cost Accounting, Discuss its nature and scope in detail (14)

OR

Q.1. (A) Explain the advantages and limitations of Cost Accounting (07)

(B) Explain the objectives of Cost Accounting (07)

Q.2. Raghav Limited manufactures special product "Narmada by product". The following particulars were collected for the year 2022. (14)

Monthly demand= 1,200 units.
Cost of Placing an order = Rs 225
Annual Carrying Cost per unit- Rs 39
Normal Usage 225 units per week
Minimum Usage 150 units per week.
Re-order period 1 to 5 weeks
Calculate from the above:

a. Economic Order Quantity.
b. Number of order to be placed in a year.
c. Re-order level.
d. Maximum level.
e. Minimum level
f. Average Stock level (on the basis of EOQ)
g. Safety Stock level.

OR

Q.2. (A) From the following data calculate Economic Ordering Quantity (03)

Monthly Consumption 4000 units
Unit Price- Rs 40.
Carrying Expenses = Rs 1.40
Insurance Expenses /unit = Rs 2
Storage Expenses / Unit= Rs 0.60
Cost of Placing an Order= Rs 0.60

Q.2. (B) Sameer Ltd. Manufactures a product ,for which following details are available. (11)

1. Annual Consumption of material 9,000 units.
2. Cost per unit= Rs 20
3. Expenses placing an order= Rs 100
4. Ordering Expense= 25 %
5. Maximum Delivery Period= 45 days.
6. Average Delivery Period= 35 days.
7. Minimum Delivery Period= ?
8. Maximum delivery period for emergency purchase= 5 days
9. Maximum Consumption daily= 30 units.
10. Minimum Consumption daily= 20 units.
11. Average Consumption Daily= ?

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

Q.3. Saurshtra Mills provides the following details. Find out labour turnover rate by all the three methods. (14)

No. of employees at the beginning of May	: 7344
No. of employees at the end of May	: 4656
No. of employees resigned	: 250
No. of employees retired	: 670
No. of employees dismissed	: 610
No. of employees appointed	: 600

Among new appointment, 360 employees are appointed due to expansion plan.

OR

Q.3. Worker Z was allowed 72 hours to complete a job on daily time wages and completed the job in actual 48 hours. His time wages is Rs.7.Material Cost of the product is Rs 100 and factory overheads are recovered at 50 % of total prime cost .Calculate the factory cost of product under following wage method:

1. Halsey Plan
2. Rowan Wage Plan

Q.4. Explain fixed expenses, variable expenses and semi-variable expenses with examples (14)

OR

Q.4. In a Plastic factory A,B & C are production departments and 1 & 2 are service departments. Following are the details of March 2019.

Particulars	Amount in Rs.
Indirect Material	15,000
Rent and taxes	10,000
Indirect Labour	10,000
Power	15,000
Machinery Depreciation	25,000
Lighting	500
Building Depreciation	5,000
General Expenses	15,000

Other Information:

Particulars	A	B	C	1	2
Direct Material	20,000	10,000	10,000	6,000	5,000
Direct Labour	15,000	15,000	4,000	2,000	4,000
Cost of Machines	60,000	1,00,000	40,000	25,000	25,000
Space Occupied (sq. ft.)	15,000	10,000	10,000	5,000	10,000
Horse Power	50	60	30	5	5
Light points	15	10	10	5	10
Labour Hours	5000	5000	2000	1000	2000

Expenses Of Service Departments are to be distributed as under:

Particulars	A	B	C	1	2
Dept .1	40%	20 %	30%	--	10%
Dept.2	30%	30%	40%	--	--

Prepare statement showing apportionment of indirect expenses .

Q.5. Cost structure of Quick Ltd, the sales price of which is Rs 45,000 is as under. (14)

Direct Materials 50 %

Direct Wages 20 %

Overheads 30 %

At present sales price, profit will get reduce by 25 % if price of materials rise by 15% and wages rise by 25 %

On the basis of above information prepare,

1. A statement showing present profit and
2. A statement showing new sales price to maintain present rate of profit.

OR

Q.5. Nita Transport Company owns a fleet of 4 Buses which are used to carry students of Xavier's College from Mumbai station to college and back a total distance of 16 km. Each bus 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 the transport Company, what will the student pay per month to the college as transport charges.

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