

E 7351

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Reg. No.....

Name.....

B.B.A./B.B.M. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2014

Fourth Semester

Common Course—COST ACCOUNTING

(Common for B.B.A. and B.B.M.)

Time : Three Hours

Maximum Weight : 25

Part A

Answer all the questions in this part.

Each bunch of four questions carries a weight of 1.

- I. 1. Costing is a technique of _____.
(a) Income determination. (b) External reporting.
(c) Ascertaining cost. (d) Internal reporting.
2. _____ per unit increases when production volume decreases.
(a) Variable cost. (b) Semi variable cost.
(c) Controllable cost. (d) Fixed cost.
3. _____ is the aggregate of indirect material cost, indirect wages and indirect expenses.
(a) Prime cost. (b) Cost of production.
(c) Overhead cost. (d) Total cost.
4. Charging of overheads to cost centre refers to :
(a) Apportionment. (b) Absorption.
(c) Allocation. (d) Distribution.
- II. 5. The excess of actual sales over break-even sales is termed _____ sales.
(a) Margin of safety. (b) Unsafety.
(c) Marginal production. (d) Seasonal.
6. In evaluating deviations of actual from standards the probable technique used is _____.
(a) Variable regression. (b) Variance analysis.
(c) Trend analysis. (d) Linear progression.

Turn over

7. Undervaluation of closing stock in cost accounts _____.

- (a) Decreases costing profit.
- (b) Increases costing profit.
- (c) Decreases financial accounts profit.
- (d) None of these.

8. At break-even point, total cost is equal to _____.

- (a) Total Sales.
- (b) Fixed Cost.
- (c) Marginal Cost.
- (d) Total Purchase.

III. 9. Material requisition is meant for :

- (a) Purchase of material.
- (b) Supply of material from stores.
- (c) Sale of material.
- (d) None of these.

10. Time wages are paid on the basis of _____.

- (a) Standard time.
- (b) Time saved.
- (c) Output produced.
- (d) Actual time.

11. Find out the selling price : Cost of sales Rs. 80 : profit at 20% on sales :

- (a) Rs. 100.
- (b) Rs. 96.
- (c) Rs. 120.
- (d) Rs. 200.

12. The standards that are based on average performance in the past are known as _____ standards.

- (a) Basic.
- (b) Historic.
- (c) Nominal.
- (d) Normal.

IV. 13. Material Usage Variance = (Standard Usage – Actual Usage) × _____.

- (a) Standard price.
- (b) Actual price.
- (c) Standard quantity.
- (d) Actual quantity.

14. Period cost means _____.

- (a) Variable cost.
- (b) Fixed cost.
- (c) Prime cost.
- (d) Semi-variable cost.

15. What is the Break-even-point when P/V ratio is 40% and fixed cost is Rs. 5,00,000 ?

- (a) Rs. 12,60,000.
- (b) Rs. 11,50,000.
- (c) Rs. 12,50,000.
- (d) Rs. 11,00,000.

16. Warehousing cost is _____.

- (a) Production overhead. (b) Administration overhead.
(c) Selling overhead. (d) Distribution overhead.

(4 × 1 = 4)

Part B

Answer any five questions from this part.

Each question carries a weight of 1.

17. What is a cost unit ? Give an example.
18. What do you mean by direct material ?
19. What is Stores Ledger ?
20. Give the meaning of Activity Based Costing.
21. What is meant by time-booking ?
22. What do you mean by machine hour rate ?
23. What is angle of incidence ?
24. What is standard costing ?

(5 × 1 = 5)

Part C

Answer any four questions from this part.

Each question carries a weight of 2.

25. What is a cost sheet ? Give a specimen of it.
26. State briefly the causes of difference between profits shown by Financial Accounts and by Cost Accounts.
27. The following information is obtained from a Standard Cost Card :

Labour Rate 90 paise per hour

Hours — 3 Hours per unit

Actual production data are :

Units produced 250

Labour Rate Rs. 1.05 per hour

Hours worked 800

Calculate Labour Variances.

Turn over

28. The annual demand for a product is 6,400 units. Inventory carrying cost is Rs. 1.50 per unit per annum. If the cost of one procurement is Rs. 75, determine :
- Economic order quantity.
 - No. of orders per year.
 - Time between two consecutive orders.
29. Calculate the earnings of a worker under :
- Halsey Plan ; and
 - Rowan Plan from the following particulars.
 - Hourly rate of wages guaranteed 0.50 paise per hour.
 - Standard time for producing one dozen articles – 3 Hours.
 - Actual time taken by the worker to produce 20 dozens articles – 48 Hours.
30. The sales turnover and profit during two periods were as follows :

		Sales (Rs.)	Profit (Rs.)
Period 1	...	20 lakh	2 lakh
Period 2	...	30 lakh	4 lakh

Calculate :

- P/V ratio.
- The sales required to earn a profit of Rs. 5 lakhs.

(4 × 2 = 8)

Part D

*Answer any two questions from this part.
Each question carries a weight of 4.*

- Distinguish between Cost Accounting and Financial Accounting. Explain in detail the advantages of Cost Accounting.
- Describe the various methods of pricing issues of materials.
- What is Break-Even-Analysis ? Discuss its utilities and limitations.

(2 × 4 = 8)