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Reg. No.....

Name.....

B.B.A./B.B.M. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2017

Fourth Semester

Common Core Course—COST ACCOUNTING

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

[2013 Admission onwards]

Time : Three Hours

Maximum Marks : 80

Part A (Short Answer Questions)

Answer all questions.

Each question carries 1 mark.

1. What is meant by cost accounting ?
2. What is meant by Management accounting ?
3. What is Stores control ?
4. What is ABC technique in material control ?
5. What is meant by overhead ?
6. Give two items which are not include in cost.
7. Define standard costing.
8. What is Material Mix Variance ?
9. Define "Marginal cost".
10. What is Margin of Safety ?

(10 × 1 = 10)

Part B (Brief Answer Questions)

Answer any eight questions.

Each question carries 2 marks.

11. State the scope of cost accounting.
12. What are the principles of costing to be followed in cost ascertainment ?
13. State the merits of centralised method of purchase of material.
14. Enumerate the remedial steps to be taken to minimize the labour turnover.

Turn over

15. Describe the different bases on which factory overheads can be apportioned.
16. What is Activity Based Costing ?
17. Give a list of possible causes of material price variance.
18. What are the different types of standard used in standard costing ?
19. What are the importance of P/V ratio ?
20. What are the Objectives of standard costing ?
21. What are the uses of Break even chart ?
22. What are the assumptions to be framed in Cost volume Profit analysis ?

(8 × 2 = 16)

Part C (Brief Answer Questions)

Answer any six questions.

Each question carries 4 marks.

23. Enumerate the nature of cost accounting.
24. Differentiate between cost accounting and financial accounting.
25. Discuss the treatment of under-absorbed and over-absorbed factory overheads in cost accounting.
26. From the following particulars, prepare a cost sheet.

	Rs.
Opening stock of finished goods ...	9,750
Closing stock of finished goods ...	11,100
Raw materials purchased ...	36,100
Direct wages ...	18,450
Factory expenses ...	2,750
Selling expenses ...	2,450
Office expenses ...	1,850
Sales ...	75,000
Sales of scrap ...	250

27. The following information relating to a type of Raw material is available :

Annual demand 2000 units.

Unit price Rs. 20.00.

Ordering cost per order Rs. 20.

Storage cost 2% p.a.

Interest rate 8% p.a.

Lead time Half-month.

Calculate economic order quantity and total annual inventory cost of the raw material.

28. Prepare a store ledger Account showing the receipts and the issues of Material X for March 2016 pricing the material issued on the basis of LIFO method :

Receipts :—

Date	Quantity	Rate per unit Rs.
1-3-2016	2000 units	20
18-3-2016	3000 units	18
30-3-2016	1000 units	16

Issues :—

Date	Quantity
4-3-2016	1000 units
10-3-2016	500 units
22-3-2016	2500 units

29. A factory has three departments A, B and C and two Service departments P and Q. The overhead departmental distribution summary shows the following :

Departments	Rs.
A	6,50,000
B	6,00,000
C	5,00,000
P	1,20,000
Q	1,00,000

The Service Department expenses are allotted on a percentage basis as follows :

	A	B	C	P	Q
P	30%	40%	15%	—	15%
Q	40%	30%	25%	5%	—

Show how the expenses of the two services departments are to be charged to production departments under Simultaneous equation method.

Turn over

30. The standard and actual figures of a firm are as under :

Standard time for the job : 1000 hrs

Standard rate per hour : Re. 0.50

Actual time taken : 900 hours

Actual wages paid : Rs. 360

Compute labour variances.

31. You are given the following data :

Fixed cost ... Rs. 4,000

Break-Even-Point ... Rs. 10,000

Calculate : P/V ratio and Profit when sales are Rs. 20,000.

(6 × 4 = 24)

Part D (Long Essays)

Answer any two questions.

Each question carries 15 marks.

32. The rate of change of labour force in a company during the year ending 31st March, 2013 was calculated as 13%, 8% and 5% respectively under 'Flux Method', 'Replacement method' and 'Separation method'. The number of workers separated during the year is 40. You are required to calculate :

- (i) Average number of workers on roll.
- (ii) Number of workers replaced during the year.
- (iii) Number of new accessions i.e. new recruitment.
- (iv) Number of workers at the beginning of the year.

33. What do you understand by classification, allocation and apportionment in relation to overhead expenses ? Explain.

34. "Cost accounting has become an essential tool of modern management". Comment.

35. How does marginal costing help in decision-making ? Discuss the different kind of decisions made through marginal costing.

(2 × 15 = 30)