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Reg. No.....

Name.....

B.B.A./B.B.M. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2016

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 do you mean by Cost ?
2. What is meant by financial accounting ?
3. State various procedure of purchase of material.
4. What is meant by labour turnover ?
5. What is semi variable overhead ?
6. Why cost and financial accounts are reconciled ?
7. What is standard cost ?
8. What is meant by Material Yield Variance ?
9. What do you mean by marginal costing ?
10. What do you mean by break-even point ?

(10 × 1 = 10)

Part B (Brief Answer Questions)

*Answer any eight questions.
Each question carries 2 marks.*

11. What are the scope of Cost Accounting ?
12. What is meant by cost sheet ? Give a simple specimen.
13. Distinguish between Bin Card and Stores Ledger.
14. Enumerate the causes of labour turnover.
15. Distinguish between 'allocation and apportionment' of overheads.
16. What is Activity Based costing ?
17. What are the causes for Labour efficiency variance ?
18. What are the factors to be considered while fixing Minimum stock level ?

Turn over

19. Give a Break-even chart with all details.
20. Why is it necessary to reconcile the profit shown by Cost Accounts and Financial Accounts ?
21. What are the requisites of a good method of absorption of factory overhead ?
22. Differentiate LIFO and FIFO method of issues of material.

(8 × 2 = 16)

Part C (Brief Answer Questions)

Answer any six questions.

Each question carries 4 marks.

23. What are the main objectives of cost accounting ?
24. Discuss ABC analysis as a system of Inventory control.
25. What are the advantages of Break-Even Point analysis ?
26. From the following particulars, prepare Cost Sheet :—

		Rs.
Opening stock of raw materials	...	61,000
Opening stock of finished goods	...	40,800
Closing stock of raw materials	...	97,000
Closing stock of finished goods	...	20,000
Purchase of raw materials	...	50,000
Opening stock of work in progress	...	16,000
Closing stock of work in progress	...	18,000
Sales during the year	...	1,90,000
Direct wages	...	40,800
Factory expenses	...	21,000
Office expenses	...	11,000
Selling expenses	...	7,600
Distribution expenses	...	5,000

27. The average annual consumption of a material is 18,250 units at a price of Rs. 36.50 per unit. The storage cost is 20% on an average inventory and the cost of placing an order is Rs. 50. How much quantity is to be purchased at a time ?

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 FIFO method :

Receipts :

<i>Date</i>		<i>Quantity</i>	<i>Rate per unit Rs.</i>
1-3-2016	...	2000 units	20
18-3-2016	...	3000 units	18
30-3-2016	...	1,000 units	16

Issues :

<i>Date</i>		<i>Quantity</i>
4-3-2016	...	1,000 units
10-3-2016	...	500 units
22-3-2016	...	2,500 units
31-3-2016	...	1,000 units

29. From the following figures, prepare a Reconciliation statement and determine profit as per financial accounts :—

	<i>Rs.</i>
Net profit as per cost records	... 1,72,000
Works overheads under recovered in cost	... 3,120
Administration overhead recovered in excess	... 1,700
Depreciation charged in financial records	... 11,200
Depreciation recovered in costing	... 12,500
Interest received but not included in costing	... 8,000
Obsolescence loss charged in financial accounts	... 5,700
Income tax provided in financial books	... 40,300
Bank interest credited in financial books	... 750
Stores adjustment (credited in financial accounts)	... 475
Depreciation of stock charged in financial books	... 6,750

30. It is estimated that a product requires 50 units of material at the rate of Rs. 3 per unit. The actual consumption of material for manufacturing the same product came to 60 units at the rate of Rs. 2.9 per unit. Calculate Material cost variance. Material price variance and Material usage variance.

Turn over

31. The sales Turnover and profit during two years were as follows :

Year		Sales Rs.	Profit Rs.
2014	...	1,40,000	15,000
2015	...	1,60,000	20,000

You are required to calculate :

- (i) P/V Ratio ;
- (ii) Sales required to earn a profit of Rs. 40,000 ;
- (iii) Profit when sales are Rs. 1,20,000.

(6 × 4 = 24)

Part D (Long Essays)

*Answer any two questions.
Each question carries 15 marks.*

32. During October 2015, the following information is obtained from the Personnel Department of a manufacturing company. Labor force at the beginning of the month 1900 and at the end of the month 2100. During the month, 25 people left while 40 persons were discharged, 280 workers were engaged out of which only 30 were appointed in the vacancy created by the number of workers separated and the rest on account of expansion scheme. Calculate the labor turnover by different methods.
33. Distinguish :
- (i) Cost accounting and Management accounting.
 - (ii) Cost accounting and Financial accounting.
34. Describe the various methods available for separating fixed and variable costs from semi variable overheads.
35. What are various methods of wage payments ? Describe the factors which should be kept in mind while adopting a particular type of wage method.

(2 × 15 = 30)