



GS-562

IV Semester B.B.M. Examination, May/June - 2019
(Repeaters - Prior to 2013-14) (F+R)

BUSINESS MANAGEMENT

4.3 : Cost Accounting

(100 Marks - 2012-13 only) (90 Marks - Prior to 2012-13)

Time : 3 Hours

Max. Marks : 100

Instructions : 1. Sections A, B & C to be answered by all repeaters (90 Marks).

2. Section D to be answered by students of 2012-13 only.

SECTION - A

1. Answer **any Ten** of the following Sub-questions Each sub question carries **2 marks.** **10x2=20**

- (a) What is Prime cost ?
- (b) What is cost centre ?
- (c) What is Stores Ledger ?
- (d) What is Retention money ?
- (e) What is abnormal loss in Process A/Cs ?
- (f) Mention any two items included in cost accounts but not in financial accounts.
- (g) What is FIFO ?
- (h) What do you mean by ABC analysis ?
- (i) Define Cost unit ?
- (j) What is apportionment ?
- (k) What is Piece Rate system ?
- (l) What is Reconciliation statement ?

SECTION - B

Answer **any five** questions Each question carries **5 marks.** **5x5=25**

2. State the differences between cost accounting and financial accounting.
3. Briefly Explain the main features of contract costing.
4. In a factory 20,000 units of Product 'A' were manufactured in the month of march 2014. From the following figures obtained from the costing records, Prepare a cost sheet showing cost per unit.

	₹
Opening stock	5,000
Raw materials	55,000
Closing stock of Finished goods	1,000
Raw materials	10,000
Direct wages	25,000
Factory overheads	40,000
office overheads	20,000
Materials returned to seller	4,000

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5. From the following information, calculate

(i) Total kilometres and (ii) Total Passenger kilometres.

No. of Buses	4
Days operated in a month	30
Trips made by each bus	2
Distance of route	100 kms (one side)
Capacity of each bus	40 passengers
Average passengers Travelling	75% of capacity

6. From the following information prepare a Reconciliation statement.

- (a) Profit as per cost accounts ₹ 27,400
- (b) Under absorption of factory overheads in cost accounts is ₹ 1,300
- (c) Over absorption of administration overheads in cost account ₹ 600
- (d) Interest paid included only in financial a/c's ₹ 400
- (e) Dividend received ₹ 1,000
- (f) Profit as per financial accounts ₹ 27,300

7. The following particulars apply to a job:

Standard Time _____ 10 hrs.

Time Rate _____ ₹ 2 per hr.

Calculate earnings under Halsey and Rowan plan if the time taken is 6 hrs and 4 hrs.

8. The financial accounts of a company show a profit of ₹ 6,70,000 for the year ending 31st December 2015. On further examination of cost and financial a/c's the following facts were discovered :

	₹
work on cost under recovered in cost	16,240
office on cost over recovered in cost	4,000
Interest on investments not included in cost	16,000

Prepare a statement showing profit as per cost accounts.

SECTION - C

Answer **any three** Sub-questions. Each question carries **15** marks **3x15=45**

9. The following Purchases have been extracted in respect of material 'X'. Prepare stores ledger Account under LIFO method of pricing of material issues.

Receipts :

3-10-2015	Purchased	500 units at ₹ 4 per unit
4-10-2015	Purchased	100 units at ₹ 4.20 per unit
10-10-2015	Purchased	50 units at ₹ 4.25 per unit
13-10-2015	Purchased	800 units at ₹ 4.30 per unit
23-10-2015	Purchased	850 units at ₹ 3.80 per unit

Issues :

5-10-2015	Issued	400 units
10-10-2015	Issued	50 units
15-10-2015	Issued	900 units
25-10-2015	Issued	450 units

10. The two components A & B are used in the manufacture of an article. The following data relate to the components:

Normal usage	- 100 units per week each
minimum usage	- 50 units per week each
maximum usage	- 150 units per week each
Re - order quantity	- A - 400 units B - 600 units
Re - order period	- A - 6 to 8 weeks B - 3 to 5 weeks

calculate for each components

- (a) Re - order level (b) minimum level
(c) maximum level (d) Average stock level
11. A product passes through three processes for completion. For the month ending 31-3-2015 the following are the details

https://www.onlinebu.com

Process

	Total ₹	X ₹	Y ₹	Z ₹
Materials	84,820	20,000	30,200	34,620
Labour	1,20,000	30,000	40,000	50,000
Direct expenses	7,260	5,000	2,260	NIL
Production overhead	60,000	-	-	-
Normal loss	-	10%	5%	10%
Sale of scrap permit	-	₹ 3	₹ 5	₹ 6
Production in units	-	920	870	800

1000 units at ₹ 50 per unit were issued to Process 'X'. Production overhead is to be allocated on the basis of direct labour.

Prepare Process Account & Abnormal Gain & Abnormal Loss Account.

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12. Modern construction ltd. have undertaken the construction of a bridge. The contract price being 65 lakhs. The details regarding contract are as follows :

	₹
Materials brought	16,50,000
Materials sent from store	4,00,000
Workers wages	20,00,000
Direct expenses	1,95,000
Rent of plant	60,000
General overhead	1,75,000
Materials on hand at the end	31,500
Wages accrued at the end	37,500
Direct expenses accrued at the end	7,500
Cost of work certified by engineers	55,00,000
Cost of work uncertified	1,00,000
Cash Received	44,00,000

Prepare:

- (1) Contract Account
- (2) Contractee Account
- (3) Balance sheet with relevant items.

13. Lakshmi Transport company has been given a route of 20 km long to run a bus. The bus costs the company a sum of ₹ 5,60,000 and its scrap value is estimated at ₹ 60,000 after its life period of 10 years.

The driver's salary will be ₹ 2,000 per month and the conductor's salary will be ₹ 1500 per month, cost of stationary will be ₹ 300 per month, manager's salary is ₹ 3,500 per month.

The Bus has been insured at 2% per annum on the original cost and the annual tax will amount to ₹ 2,000. Garage rent is ₹ 500 per month. Actual repairs amounts to ₹ 6,000. Petrol & oil will be ₹ 50 per 100 km. The bus will make three round trips a day carrying on an average 40 passengers on each trip. The Bus will run on an average 25 days in a month.

You are required to prepare operating cost sheet and to calculate the cost per passenger kilometer.



SECTION - D

(To be answered by students of 2012-13 only)

1x10=10

14. Sneha and company limited maintains a separate cost accounting system, which revealed a profit of ₹ 57,600 for the period ending 31-3-2015. The financial Records revealed a different profit. On verification following information was obtained:

- (a) Preliminary Expenses written off ₹ 500
- (b) Factory overheads under recovered in financial 1,000
- (c) Provision for doubtful debts ₹ 800
- (d) Discount on issue of shares ₹ 6,200
- (e) Transfer fees received ₹ 1,700
- (f) Underwriting commission paid ₹ 5,000
- (g) Dividend received ₹ 7,300
- (h) Depreciation charged ₹ 10,800 but recovered only ₹ 10,000
- (i) Closing stock valued in Financial accounts ₹ 7,800 but in cost accounts ₹ 9,000
- (j) Interest on own capital received in cost accounts ₹ 1,300

Prepare a reconciliation statement as on 31-3-2015 to show profit as per financial accounts.

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