206378

SDCBB-402

IV Semester B.B.A. Degree Examination, June / July - 2026
(SEP Scheme Freshers 2024-26 Batch)
BUSINESS ADMINISTRATION
Cost Accounting
Paper - 4.4

Time : 3 Hours | Maximum Marks : 80

Instructions:

Answers should be written in English only.

SECTION - A

Answer any Five questions. Each question carries 2 marks. **(5×2=10)**

1. a) Give the meaning of Cost Accounting.
   b) State any two objectives of cost accounting.
   c) Expand FIFO and LIFO.
   d) Who is Store keeper?
   e) What is Labour turnover?
   f) What do you mean by Machine Hour Rate?
   g) Mention any two reasons for differences in profit under financial and cost accounts.

SECTION - B

Answer any Three questions. Each question carries 6 marks. **(3×6=18)**

2. Briefly explain any six advantages of cost accounting.

3. From the following information, prepare cost sheet showing the cost per unit and profit for the period.

Raw materials consumed	Rs. 40,000
Direct wages	Rs. 24,000
Factory overheads	Rs. 8,000

Office overheads 10% of factory cost, selling overhead Rs. 1.50 per unit. Units produced 2,000, units sold 1,800 at Rs. 50 each.

4. The following information is available in respect of a particular material
Re order quantity - 2,400 units
Re-order period - 4 to 6 weeks
Maximum consumption - 450 units per week
Normal consumption - 300 units per week
Minimum consumption - 150 units per week

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Calculate:

i) Re-order level
ii) Average stock level
iii) Minimum level
iv) Maximum level

5. Standard time allowed for a job is 30 hours at the rate of Rs. 100 per hour. Actual time saved by a worker is 6 hours. Calculate his earnings under Halsey system and Rowan system.

6. From the following particulars compute machine hour rate.

	Rs.
Cost of machine	1,14,800
Installation charges	5,400
Anticipated life of machine 10 years	
Scrap value at the end of 10 years	5,000
Rent and rates per annum	12,000
Insurance per annum	3,000

Power cost is 5 units per hour at 0.40 paise per unit
There are 300 working days of 8 hours each in a year.

SECTION - C

Answer any Three questions. Each question carries 14 marks. (3×14=42)

7. A factory uses job costing. The following data are obtained from its books for the year ended 31st Dec 2024.

Direct materials	Rs. 90,000
Selling and dist. Overheads	Rs. 52,500
Direct wages	Rs. 75,000
Administration overheads	Rs. 42,000
Factory overheads	Rs. 45,000
Profit	Rs. 60,900

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Prepare a cost sheet indicating the prime cost, works cost, production cost, cost of sales and the sales value. In 2025, the factory received an order for a number of jobs. It is estimated that direct materials required will be Rs. 1,20,000 and direct labour cost Rs. 75,000. What should be the price for these jobs if factory intends to earn the same rate of profit on sales.

Assuming that the selling and distribution overheads have gone up by 15%. The factory recovers factory overheads as a percentage of direct wages and administration, selling and distribution overheads as a percentage of works cost, based on the cost rates prevailing in the previous year.

8. Prepare stores ledger account from the following information under FIFO and LIFO methods.

Date	Particulars	Units	Rate (Rs.)
Jan-1, 2025	Opening balance	200	12
Jan- 5, 2025	Purchases	1,600	14
Jan-14, 2025	Purchases	1,000	15
Jan- 17, 2025	Issues	1,200	...
Jan-20, 2025	Purchases	1,600	16
Jan-22, 2025	Issues	2,400	...
Jan-25, 2025	Purchases	2,800	13
Jan-28, 2025	Issues	2,400	...
Jan- 30, 2025	Issues	700	...

On 23rd Jan, stock verification revealed a shortage of 40 units.

9. NAMA Company has 3 production departments and 2 service departments. The departmental distribution summary of overhead is as follows:

P1	8,000	S1	2,340
P2	7,000	S2	3,000
P3	5,000		
	20,000		**5,340**

The expenses of service departments are charged on a % age basis, which is as follows:

Items	**Production**			**Service**	
	P1	**P2**	**P3**	**S1**	**S2**
Service departments					
S1	20%	40%	30%	--	10%
S2	40%	20%	20%	20%	--

Distribute service department's costs to production departments using:

a) Repeated distribution method.

b) Simultaneous equation method.

10. A workmen's wage for a guaranteed 40 hours week is Rs. 25 per hour. Estimated time to produce one article is 20 minutes and under incentive scheme the time allowed is increased by 70% during a week the workmen produced 100 articles. Calculate his time wage under.

i. Time rate
ii. Piece rate
iii. Halsey plan
iv. Rowan plan Time rate Rs. 3 per hour, Standard output per hour 6 units. In a day of 8 hours. 'A' produces 39 units, 'B' 45 units, 'C' 48 units and 'D' 50 units.

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11. Prepare a Reconciliation statement from the following data

Net loss as per cost accounts	3,44,800
Depreciation over charged in cost accounts	2,600
Works overhead under recovered in cost accounts	6,240
Administration overhead recovered in excess in cost Accounts	2,600
Interest on investment	17,500
Goodwill written off	11,400
Income tax paid recorded in financial accounts	80,600
Store adjustment (credit in financial books)	950
Depreciation of stock charged in financial accounts	13,500
Value of closing stock in cost accounts	20,750
Value of closing stock in financial accounts	18,750
Selling overheads over recovered in cost accounts	8,250
Notional rent charged in cost accounts	40,000
Interest on loan charged in financial accounts	11,000

SECTION - D

Answer the following. **(1×10=10)**

12. A) Identify cost unit for the following industry.
   i) Oil Refinery
   ii) Sugar Industry
   iii) Textile Industry
   iv) Cement Industry
   v) Power Generation
   vi) Gas Supply
   vii) Brick Making
   viii) Telecom Service
   ix) Hospital
   x) Cinema

(OR)

B) Prepare stores ledger account for the month of december from the following transactions relating to the receipts and issues of the material on the basis of:
   a) simple average method
   b) weighted average method

Receipts

Date	**Quantity(kg)**	**Rate(Rs.)**
Dec. 4	200	10 per kg
Dec. 18	300	12 per kg
Dec. 22	100	16 per kg

Issues

Date	**Quantity (kg)**
Dec. 6	100
Dec. 20	200
Dec. 25	200