

E 6805

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Reg. No.....

Name.....

B.B.A./B.B.M. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2019

Fourth Semester

Common Core Course – COST, ACCOUNTING

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

[2013 to 2016 Admissions]

Time : Three Hours

Maximum Marks : 80

Part A (Short Answer Questions)

Answer all questions.

Each question carries 1 mark.

1. Define Costing.
2. What is Sunk Cost?
3. What do you mean by Cost Unit?
4. What is Bin Card?
5. What is FIFO?
6. What is time booking?
7. What is direct labour?
8. What is Activity Based Costing?
9. Define angle of incidence.
10. What is Standard Costing?

(10 × 1 = 10)

Part B (Brief Answer Questions)

Answer any eight questions.

Each question carries 2 marks.

11. Differentiate Cost centre from Profit centre.
12. Differentiate scrap from spoilage.
13. What is time keeping? What are the purpose of time keeping?
14. Distinguish between Time wage system and Piece wage system.
15. List out the features of a good wage plan.
16. Differentiate allocation of overhead from apportionment of overhead.

Turn over

17. How costs are classified on the basis of behaviour?
18. What are the benefits of standard costing?
19. Write a note on Variance Analysis.
20. What is profit volume ratio? How can it be improved?
21. What is Labour Turnover? Mention the reasons for labour turnover.
22. Differentiate Perpetual inventory system from Periodic inventory system.

(8 × 2 = 16)

Part C (Brief Answer Questions)*Answer any six questions.**Each question carries 4 marks.*

23. Define Cost Accounting. What are the functions of Cost Accounting?
24. Give a brief account of the different stock levels of materials.
25. What is idle time? Mention any *three* causes of idle time. Give a brief account of the treatment of idletime.
26. The following transactions took place in respect of material A.5 :

| Date | Receipts | Units | Issues |
|-----------|----------|-------|--------|
| | Rate | | Units |
| 1.3.2017 | 1.00 | 400 | |
| 10.3.2017 | 1.20 | 600 | |
| 16.3.2017 | | | 500 |
| 19.3.2017 | 1.30 | 500 | |
| 25.3.2017 | | | 400 |

Prepare a priced ledger sheet, pricing the issues at (a) Simple Average Rate ; and (b) Weighted Average Rate.

27. Following information is available in respect of a particular type of material :

Annual Demand : 3500 units

Cost per unit : Rs. 3.60

Ordering cost per order : Rs. 5

Storage cost 3% per annum

Interest Rate 10% per annum

Lead time $\frac{1}{2}$ month

Calculate : (i) EOQ ; (ii) Number of order to be placed during the year ; (iii) Total annual inventory cost of material.

28. The standard material required for production is 10,500 kgs. A price of Rs. 2 per kg has been fixed for the materials. The actual quantity of materials used for the product is 11,000 kgs. A sum of Rs. 24,750 has been paid for the material. Calculate :

- (a) Material Cost Variance.
- (b) Material Rate Variance.
- (c) Material Usage Variance.

29. From the following particulars, calculate the earnings of workers under straight piece basis and Taylor Differential Piece Rate System :

| | | |
|-------------------------|---|---|
| Standard Time per piece | = | 20 minutes |
| Normal Rate per hour | = | Re. 0.90 |
| In a 9 hour day | - | A produces 25 units B produces 30 units. |

Differentials- to be applied 80% of piece rate below standard. 120% of piece rate on above standard.

30. What is a cost sheet? Give a proforma of a cost sheet.

31. From the following profit and loss statement, prepare a break-even chart and determine break-even point :

| | Rs. | Rs. | |
|------------------|---------------|---------------------|--|
| Sales | | 84,000 | |
| Costs : Variable | 56,000 | | |
| Fixed | <u>24,000</u> | <u>80,000</u> | |
| Profit | | <u><u>4,000</u></u> | |

(6 × 4 = 24)

Part D (Long Essay Questions)

Answer any two questions.

Each question carries 15 marks.

32. Distinguish between :

- (a) Cost Accounting and Financial Accounting.
- (b) Cost Accounting and Management Accounting.

33. An Engineering Company has three production centres and two service centres. The overhead analysis sheet gives the following overhead costs :

| Production Centres | Rs. | Service Centres | Rs. |
|--------------------|-----------|-----------------|---------|
| A | ... 1,380 | D | ... 630 |
| B | ... 2,190 | E | ... 510 |
| C | ... 1,290 | | |

Turn over

The expenses of Service Centres D and E are apportioned as under :

| | A | B | C | D | E |
|---|-----|-----|-----|-----|-----|
| D | 30% | 40% | 20% | — | 10% |
| E | 10% | 20% | 50% | 20% | — |

Apportion the Service Centres cost on Simultaneous Equation Method.

34. The following relate to a concern for two successive periods :

| Years | Sales (Rs.) | Profit |
|---------|-------------|--------|
| 2014-15 | 3,00,000 | 40,000 |
| 2015-16 | 4,00,000 | 80,000 |

Calculate (i) P/V Ratio ; (ii) Break-Even Sales ; (iii) Margin of safety ; (iv) Profit at a sale of Rs. 5,00,000 ; (v) Sales to earn a profit of Rs. 60,000.

35. What is Profit Reconciliation Statement? Enumerate the various factors which cause difference in results as shown by cost and financial accounts. Also prepare an imaginary Reconciliation Statement in support of your answer.

(2 × 15 = 30)