

Roll No. ....

**57021**

**BBA 3rd Semester (N.S.) 2011-14**

**Examination–November, 2014**

**Cost Accounting**

**Paper-BBA-301**

**Time : 3 hours**

**Max. Marks : 80**

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Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard will be entertained after the examination.

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**Note :** Section A comprises 8 questions from whole syllabus carrying two marks each and is **compulsory**. Section B contains 8 questions (2 from each unit), from which you are required to attempt **four** questions selecting **one** from each unit. All questions carry equal marks.

**SECTION A**

1. (a) Distinguish between direct cost and indirect cost.
- (b) What is batch costing?

- (c) What is time keeping?
- (d) Explain FIFO method in brief.
- (e) What is balance method under wage payment?
- (f) How minimum level and maximum level are determined?
- (g) What is machine hour rate?
- (h) Explain the concept of cost sheet in cost accounting.

## Section B

### Unit I

2. "Cost accounting has come to be an essential tool of management". Comment.
3. The accounts of a Machine Manufacturing company discloses the following information for the six months ending 31st December, 2009.

	Rs.
Material Used	1,50,000
Direct Wages	1,20,000
Factory Overhead Expenses	24,000
Office Expenses	17,640

Prepare a cost sheet of the machine and calculate the price which the company

should quote for the manufacture of a machine requiring materials valued at Rs. 1,250 and expenditure on productive wages of Rs. 750, so that the price may yield a profit of 20% on the selling price.

For the purpose of price quotation, charge factory overhead as a percentage of direct wages and charge office overhead as a percentage of works cost.

## Unit II

4. About 50 items are required every day for a machine. A fixed cost of Rs. 50 per order is incurred for placing an order. The inventory carrying cost per item amounts to Rs. 0.02 per day. The lead period is 32 days. Compute:
  - (i) Economic Order Quantity
  - (ii) Re-order level
5. Discuss the methods of pricing issues of materials.

## Unit III

6. How will you treat idle time and overtime in cost accounts?
7. Distinguish between:
  - (a) Cost classification and cost allocation

(b) Cost apportionment and overhead absorption

Unit IV

8. The following are the particulars relating to a contract which has begun on 1 January, 2011:

	Rs.		Rs.
Contract price	5,00,000	Overheads	8,240
Machinery	30,000	Material Returned	1,600
Materials	1,70,600	Materials on hand	
Wages	1,48,750	31 Dec. 2011	3,700
Direct expenses	6,330	Machinery on hand	
Outstanding wages	5,380	31 Dec. 2011	22,000
Uncertified worked	9,000	Values of work	3,90,000
Cash received	3,51,000	certified	

Prepare the Contract Account for the year 2011 showing the amount of profit that may be taken to the credit of P & L A/c of the year. Also show the amount of the work-in-progress as it would appear in the balance sheet of the year.

9. Define normal loss, abnormal loss and abnormal gain. How these are treated in cost accounts.