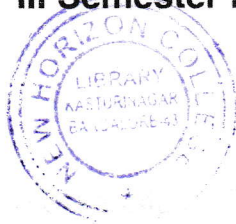




**III Semester B.B.A. Examination, December 2024/January 2025  
(NEP Scheme)**



**(Freshers and Repeaters)  
BUSINESS ADMINISTRATION  
Cost Accounting**

Time : 2½ Hours

Max. Marks : 60

**Instruction :** Answer should be written in **English only**.

**SECTION – A**

Answer **any five** of the following, **each** question carries **2** marks.

**(5×2=10)**

1. a) State any four methods of costing.  
b) What is direct material ?  
c) What do you mean by invoice ?  
d) Give the meaning of Over Time.  
e) How do you calculate minimum stock level ?  
f) How do you calculate bonus under Rowan incentive plan ?  
g) Give the meaning of Machine Hour Rate.

**SECTION – B**

Answer **any three** of the following, **each** question carries **4** marks.

**(3×4=12)**

2. State the merits and demerits of cost accounting.
3. Calculate Reorder level, Minimum level, Maximum level and Average stock level from the following.

Two materials A and B are used as follows :

Minimum usage	100 units per week each
Maximum usage	200 units per week each
Normal usage	150 units per week each
Reorder quantity	A – 600 units, B – 1,000 units
Delivery period	A – 4 to 6 weeks, B – 3 to 5 weeks.

P.T.O.



8. From the following data collected from the books of a company, find out the total price of a work order. Cost of materials Rs. 4,00,000, cost of labour Rs. 3,00,000, factory on cost Rs. 1,50,000, administration charges Rs. 1,70,000, selling on cost Rs. 42,500, distribution expenses Rs. 42,500.

Factory overheads are based on direct wages, administration and selling and distribution charges are recorded as a percentage of factory cost or works cost.

The materials required for the execution of the work order is estimated at Rs. 10,000 and labour cost Rs. 6,000. Assume that the factory overheads have been increased by 10% and there was no change in case of other overheads. Charge profit at 20% on selling price.

9. From the following particulars, calculate the earnings of a worker under

- a) Straight piece rate
- b) Differential piece rate
- c) Halsey Bonus plan (50% sharing)
- d) Rowan premium plan

Weekly working hours	40
Piece rate per piece	Rs. 6
Hourly rate of wages	Rs. 15
Normal time taken per piece	20 minutes
Normal output per week	120 pieces
Actual output of the worker per week	150 pieces

Differential piece rate :

- a) 80% of piece rate for output below normal output.
- b) 120% of piece rate for output above normal output.

10. The following transactions occur in the purchase and issue of a material.

- a) Jan. 2<sup>nd</sup> 2024 Purchased 6,000 units @ Rs. 4 per unit
- b) Jan. 4<sup>th</sup> 2024 Purchased 1000 units @ Rs. 5 per unit
- c) Jan. 6<sup>th</sup> 2024 Issued 4,000 units
- d) Jan. 10<sup>th</sup> 2024 Purchased 6,000 units @ Rs. 6 per unit
- e) Jan. 12<sup>th</sup> 2024 Issued 4,000 units
- f) Jan. 15<sup>th</sup> 2024 Issued 2,000 units
- g) Jan. 20<sup>th</sup> 2024 Issued 2,000 units
- h) Jan. 25<sup>th</sup> 2024 Purchased 4,500 units @ Rs. 5.50 per unit
- i) Jan. 30<sup>th</sup> 2024 Issued 3,000 units

From the above, prepare the Stores Ledger Account, using Simple Average Method.



11. The following particulars relate to processing machine treating a typical material.
- a) Cost of Machine Rs. 10,000.
  - b) Estimated life 10 years.
  - c) Scrap value Rs. 1,000.
  - d) Yearly working time (50 weeks of 44 hours each) 2,200 hours.
  - e) Machine maintenance 200 hours p.a.
  - f) Setting up time estimated at 5% of total productive time and is regarded as productive time.
  - g) Electricity 16 units per hour at 10 paisa per unit.
  - h) Chemical required weekly Rs. 20.
  - i) Maintenance cost per year Rs. 1,200.
  - j) Two attenders control the operations of machines together with 6 other machines. Their combined weekly wages are Rs. 140.
  - k) Department overhead allocated to this machine p.a. Rs. 2,000.
- You are required to calculate the Machine Hour Rate.

#### SECTION – D

Answer **any one** of the following, **each** question carries **8** marks.

**(1×8=8)**

12. a) The following purchases have been extracted in respect material X. Prepare stores ledger account under FIFO method.
- a) 1-4-2024 Purchased 800 units at Rs. 8 per unit.
  - b) 3-4-2024 Issued 700 units.
  - c) 8-4-2024 Purchased 200 units at Rs. 8.40 per unit.
  - d) 9-4-2024 Issued 200 units.
  - e) 12-4-2024 Purchased 150 units at Rs. 8.50 per unit.
  - f) 15-4-2024 Issued 100 units.
  - g) 22-4-2024 Purchased 500 units at Rs. 8.60 per unit.
  - h) 25-4-2024 Purchased 650 units at Rs. 7.60 per unit.
  - i) 30-4-2024 Issued 550 units.

OR

- b) Draft the specimen of cost sheet.
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