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Rep

DCBB-301

III Semester B.B.A. Degree Examination, December/January - 2025/26

(NEP - 2020 Scheme Repeaters)

BUSINESS ADMINISTRATION

Cost Accounting

Paper - 3.1

NEW HORIZON COLLEGE LIBRARY KASTURINAGAR BANGALORE-43

Time : 2½ Hours **Maximum Marks : 60**

***Instructions*:**

Answers to be written in English only.

SECTION - A

Answer any Five of the following. Each sub question carries 2 marks. **(5×2=10)**

1. a) Define Cost Accounting.

b) What is works cost?

c) Name any two techniques of material cost.

d) What is meant by perpetual inventory system?

e) State the causes of idle time.

f) What is meant by machine hour rate?

g) What is departmentalization of overheads?

SECTION - B

Answer any Three of the following. Each question carries 4 marks. **(3×4=12)**

2. What are the essential features of a good wage system?

3. Find out Economic Order Quantity from the following:

Annual Consumption	1,00,000 units.
Ordering cost	Rs. 50 per unit.
Carrying cost	8% of average inventory.
Cost per unit	Rs. 20.

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4. In a factory the expenses are as follows:

Material	Rs. 40,000
Labour	Rs. 24,000
Machine hours worked	Rs. 4,000
Machine hour rate	Rs. 2

Office overhead 10% of factory cost
Selling overhead Rs. 1.50 per unit.
Units produced 2,000
Units sold 1,800 at Rs. 50 each.
Prepare cost sheet showing the cost per unit and profit for the year 2025.

5. The normal hourly rate is Rs. 5 per hour for a job is 8 hours and time taken is 6 hours. Find out the wages payable under Hasley Premium method and Halsey Rowan method.

6. From the following particulars. Calculate the Machine Hour Rate.

Cost of machine	Rs. 11,000
Scrap Value	Rs. 680
Repairs for the effective working life	Rs. 1,500
Standing charges for 4 weekly period	Rs. 1,600

Effective working life 10,000 hours
Power used 6 units per hour @ 5 paise per unit.
Hours worked in 4 weekly period - 120 hours.

SECTION - C

Answer any Three of the following. Each question carries 10 marks.(3×10=30)

7. Compute machine hour rate from the following data:

Cost of Machine	Rs.1,14,800
Installation Charges	Rs. 5,400
Estimated scrap value after 10 years of its life	Rs. 5,000
Rent and Rates per annum	Rs. 12,000
Insurance premium of the machine per annum	Rs. 3,000
Repairs and maintenance p.a	Rs. 8,640
Consumable stores p.a	Rs. 1,200
Total production services p.a	Rs. 1,080

Power cost is 5 units per working hour @ 40 paise per unit
Estimated productive working hours 2,000 hours p.a.

8. Calculate Reorder level, minimum stock level, maximum stock level, average stock from the following information:

Re-order quantity	2400 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

NEW HORIZON COLLEGE LIBRARY KASTURINAGAR BANGALORE-43

9. Calculate the earnings of worker under Rowan plan and calculate total cost from the following particulars:

Standard time : 9 hours.

Time taken : 6 hours.

Normal rate per hour is Rs. 0.75.

Material Rs. 4.

Overhead 150% of direct wages.

10. Prepare a cost sheet of the following data relating to the manufacture of Jeans:

Number of Jeans manufactured during the month	Rs. 1,000
Direct materials consumed	Rs. 20,000
Direct labour	Rs. 8,000
Indirect labour (in factory)	Rs. 2,500
Supervision costs (in factory)	Rs. 1,000
Factory premises rent	Rs. 1,600
Factory lighting	Rs. 600
Oil for machines	Rs. 100
Depreciation of machines	Rs. 500
Office overheads	Rs. 8,000
Office salaries	Rs. 2,000
Misc. office expenses	Rs. 1,000
Selling and distribution overheads	Rs. 6,000

A profit margin of 20% on the total cost of goods is expected on the sale of Jeans.

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11. ABC Company limited has 3 production departments A, B, C and 2 service departments D and E. The following figures were extracted from records of the company:

Particulars	Amount
Rent and rates	5,000
General lighting	600
Indirect wages	1,500
Power	1,500
Depreciation on machinery	10,000
Sundry expenses	10,000

The following further details are available.

Particulars	Total	A	B	C	D	E
Floor space (Sq.ft)	20,000	4,000	5,000	6,000	4,000	1,000
Light points	120	20	30	40	20	10
Direct wages	10,000	3,000	2,000	3,000	1,500	500
Horse power of machine	150	60	30	50	10	-
Value of machine	2,50,000	60,000	80,000	1,00,000	5,000	5,000

Apportion the cost to various departments on the most equitable basis and prepare overhead distribution summary.

SECTION - D

Answer any one of the following. Each question carries 8 marks. (1×8=8)

12. a) Briefly explain the various elements of cost.

(OR)

b) The following transactions took place in respect of material X during the month of January:

Date	Particulars	Quantity (Kg.)	Rate per unit (Rs.)
Jan 2	Received	2000	10
Jan 6	Received	300	12
Jan 9	Issued	1200	
Jan 10	Received	200	14
Jan 11	Issued	1000	
Jan 22	Received	300	11
Jan 31	Issued	200	

Show the stores ledger entries, the value of issue and the value of closing stock under LIFO Method.