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2304E335

Candidate's Seat No : _____

IM.B.A. in (BI/APR) (NEP) Sem.-4 Examination

BI-DSC-C-EBCA-241

E.B.C.A.

Time : 2-00 Hours]

April-2025

[Max. Marks : 50

- Instructions :** (1) This paper contains **Five** questions.
(2) All questions are compulsory.
(3) Question No. **1, 2, 3, 4** have internal options.
(4) Figures in the right side in parenthesis indicate marks.

Q:1 Identify the type of costs involved in the following cases by giving reason for the same. Also explain the cost in short: (10)

1. MarketVision Pvt. Ltd. paid ₹2,00,000 for market research to analyze customer demand before launching a new product.
2. SwiftDelivery Services pays drivers a base salary of ₹10,000 and additional pay of ₹5 per km driven.
3. BuildMax Industries had ₹20,00,000 to invest and had to choose between expanding its factory or launching a new product. It chose factory expansion.
4. TrendWear Apparel pays workers ₹25 per shirt stitched. If no shirts are made, no wages are paid.
5. WorkHive Co-working pays ₹25,000 per month for office space, even if some employees are working from home.

OR

Q:1 Define job costing and process costing. Briefly explain the methods used in both job costing and process costing. (10)

Q:2 The accounts of CC Manufacturing Co. for the year ended 31st March, 2024 show the following information. Prepare a statement showing different costs for the period: (10)

Particulars	Amount(₹)
Production wages	2,50,000
Direct material used	3,18,200
Chargeable expenses	30,000
Sales	7,80,000
Drawing office salaries	10,000

Counting office salaries	18,800
Cash discount allowed	3,000
Carriage outward	5,400
Bad debts written off	8,500
Rent, rates and taxes	
(a) Office	4,000
(b) Works	15,400
Travelling expenses	3,600
Traveler's salaries and commission	8,500
Depreciation on plant and machinery	6,500
Depreciation on office furniture	1,000
Director's fee	12,000
Gas and water (3/4 th factory, 1/4 th office)	2,800
Manger's salary (3/4 th factory, 1/4 th office)	24,000
General expenses	4,000
Hire of crane	5,000
Donations to charitable trust	2,000

OR

- Q:2 (A)** Job No. 987 was commenced on 15th January, 2025 and completed on 5th February, 2025. Materials used were ₹1,200 and labour charged directly to the job was ₹800. Other information is as follows: Machine No. 321 used for 40 hours; the machine hour rate is ₹7. Machine No. 789 used for 30 hours; the machine hour rate is ₹8. Six welders worked on the job for 5 days of 8 hours each; the direct labour hour rate for welders is 40 paise. Other expenditures of the concern not apportioned for calculating the machine hour or the direct hour rates amounted to ₹40,000, total direct wages for the period being ₹40,000. Ascertain the works cost of Job No. 987. **(05)**
- (B)** Mr. Karan furnishes the following data relating to the manufacturer of a standard product during the month of January, 2025: **(05)**

Raw materials consumed	₹ 15,000
Direct labour charges	₹ 9,000
Machine hours worked	900
Machine hour rate	₹ 5
Administration overheads	20% on works cost
Selling overheads	₹ 0.50 per unit
Units produced	17,100
Units sold (₹4 per unit)	16,000 units

You are required to prepare a cost sheet from the above data, showing the following:

- The cost per unit
- The cost per unit sold and profit for the period

- Q:3** Following is summarized version of Trading and Profit and Loss account of VCG Enterprise Ltd for the year ended December 31, 2024: **(10)**

Particulars	Amount	Particulars	Amount
To material	96,000	By sales	2,00,000
To wages	72,000	By closing stock of finished goods	40,800
To work expenses	48,000	By work in progress:	
		Material	6,000
		Wages	3,600
		Work expenses	2,400
To gross profit	36,800		
	2,52,800		2,52,800
To administration expenses	12,000	By gross profit	36,800
To selling expenses	8,000		
To net profit	16,800		
	36,800		36,800

During the year 12,000 units were manufactured and 9,600 of them were sold. The costing records show that overheads have to be absorbed at 50% of direct wages, administration overheads at ₹3 per unit produced, and selling overheads at ₹2 per unit sold. Financial and cost account books show different profits. You are required to:

- Calculate profit as per cost account's books.
- Prepare a statement reconciling two profits disclosed under two set of books, clearly by bringing out the reasons for the difference.

OR

- Q:3** (A) A manufacturing company has disclosed a net loss of ₹8,75,000 as per their cost accounting records for the year ended March 31, 2014. However, their financial accounting records disclosed a net loss of ₹ 7,91,250 for the same period. A scrutiny of the data of both sets of books of accounts revealed the following information: **(05)**

Particulars	Amount(₹)
Factory overheads over – absorbed	47,500
Administration overhead under – absorbed	32,750
Depreciation charged in final accounts	2,25,000
Depreciation charged in cost accounts	2,42,250
Interest on investments not included in cost accounts	62,750
Income tax provided in financial accounts	7,250
Transfer fees (credit in financial accounts)	12,500
Preliminary expenses written off	27,500
Under – valuation of opening stock in cost accounts	6,250
Under – valuation of closing stock in cost accounts	17,500

- (B) The net profit of Gada Electronics for the year ended on 31st March, 2022 **(05)** showed a profit of ₹56,300 in the financial accounts. The profit shown by the

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cost accounts, however is ₹77,000 for the same period. A scrutiny of the figures from both sets of accounts revealed for the following facts. Prepare a reconciliation statement reconciling the profits of the two sets:

Particulars	Amount (₹)
Works overheads under-recovered in cost books	1,200
Office overheads over-recovered in cost books	1,600
Depreciation charged in financial accounts	4,000
Depreciation charged in cost accounts	5,000
Interest on investments recorded in financial accounts	2,000
Obsolescence loss charged in financial accounts	4,000
Income tax provided in financial accounts	14,000
Bank interest and dividend credited in financial accounts	400
Loss due to depreciation in stock values	2,700
Loss due to fire	3,800

- Q:4** Write the journal entries to be passed for the following in case of: **(10)**
(i) Integrated system of accounts (ii) Non - integrated system of accounts
i. Issue of direct materials to production – ₹ 65,000
ii. Payment made to suppliers – ₹ 30,500
iii. Absorption of selling overheads – ₹ 95,000
iv. Under-absorption of administrative overheads – ₹ 500

OR

- Q:4** Write the journal entries to be passed for the following in case of **(10)**
(i) Integrated system of accounts (ii) Non - integrated system of accounts
i. Materials returned to suppliers – ₹ 7,000
ii. Absorption of factory overheads – ₹ 40,000
iii. Purchase of materials on credit – ₹ 60,000
iv. Over-absorption of selling overheads – ₹ 600

- Q:5** Select the correct option for the following: (Any ten out of twelve) **(10)**
- The costing method used in industries where the product's nature is complex is known as:
A. Multiple costing
B. Job costing
C. Batch costing
D. Standard costing
 - Expenses related to producing a good or service are known as:
A. Direct expenses
B. Semi variable expenses
C. Indirect expenses
D. None of the above
 - The type of costing followed by textile industries is _____.
A. Process costing
B. Job costing
C. Batch costing
D. Can choose any
 - In cost sheet, carriage inward is shown under _____.
A. Selling & distribution
B. Prime cost
C. Office
D. None of the above

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5. Selling overheads are calculated on the basis of:
 - A. Units produced
 - B. Units purchased
 - C. Units sold
 - D. Closing stock
6. Which of the following is a component of selling overheads?
 - A. Delivery charges
 - B. Showroom rent
 - C. Direct wages
 - D. All of the above
7. The system of accounting in which the financial books and cost books of accounts are maintained separately is known as:
 - A. Non integral system
 - B. Double entry system
 - C. Mixed system
 - D. None of the above
8. Which of the following is a component of prime cost?
 - A. Carriage outward
 - B. Indirect wages
 - C. Power & fuel
 - D. None of the above
9. The type of costing followed by industries indulged in the production of medicines is _____.
 - A. Multiple costing
 - B. Job costing
 - C. Batch costing
 - D. Standard costing
10. In cost sheet, legal expenses will be shown under _____ overhead.
 - A. Selling
 - B. Factory
 - C. Office
 - D. Any of the above
11. Which of the following is an example of direct expense?
 - A. Cost of patent rights
 - B. Showroom rent
 - C. Depreciation
 - D. Salary
12. Which of the following is not recorded in cost accounts?
 - A. Salary
 - B. Office rent
 - C. Selling expense
 - D. Income tax