

B.B.A. Sem.-2 Examination

CC-109

Cost Accounting

May-2025

Time : 2-30 Hours]

[Max. Marks : 70

- Instruction: (1) Figure to the right indicate marks.
(2) Show Calculation as a part of answer

- Q-1A** Write a short note on fixed and variable overheads. [07]
OR
Q-1A State the Difference between Cost Accounting and Financial Accounting. [07]
Q-1B Discuss the Limitations of Cost Accounting. [07]
OR
Q-1B Discuss the objectives of Cost Accounting. [07]
Q-2 Following is the Trading and Profit & Loss Account of Milton Ltd. for the year ended. [14]
31-3-2022.

Particular		Rs.	Particular		Rs.
To	Direct Materials	5,00,000	By	Sales (5,000 units at 50% capacity)	20,00,000
To	Direct Labour	3,00,000			
To	Direct Expenses	2,00,000			
To	Factory Overheads:				
	Fixed 1,00,000				
	Variable <u>1,50,000</u>	2,50,000			
To	Gross Profit	7,50,000			
		20,00,000			20,00,000
To	Office Overheads: (Fixed)	1,25,000	By	Gross Profit	7,50,000
To	Selling Overheads:				
	Fixed 80,000				
	Variable <u>1,00,000</u>	1,80,000			
To	Net Profit	4,45,000			
		7,50,000			7,50,000

For the year 2022-23 it is estimated that:

- (1) Production will be done at maximum capacity and 80% of the production will be sold.
 - (2) All variable expenses will increase by 10%.
 - (3) All fixed expenses will increase by 20%.
 - (4) The profit is estimated 30% on cost price.
- From the above Information, prepare:
- (i) Cost statement per unit and total for the year 2021-22.
 - (ii) Estimated statement of cost showing profit for the year 2022-23.

OR

(P.T.O)

M132-2

Q-2A From the following particulars, prepare a cost sheet showing cost for the year ending on 31-12-2016.(Salse : 5,00,000) [07]

Particulars	Rs.	Particulars	Rs.
Direct Materials	1,50,000	Other material	15,000
Direct Wages	1,05,000	Oil and water	10,500
Warehouse charges	1,500	Rent:	
Electric power	11,500	• Factory	6,500
Lighting:		• Office	5,500
• Factory	45,000	Repairs and Renewals:	
• Office	22,000	• Factory Building	9,500
Directors' fees	12,500	• Office Building	4,250
Office Stationery	1,100	Telephone Charges	1,250
Depreciation:		Postage and Telegrams	750
• Factory Plant	6,000	Bad Debt	6,000
• Office Premises	2,500	Travelling expenses	4,600
Factory Insurance	3,000	Advertising	1,500
Manager's Salary	9,000		

Q-2B Write a short note on : Tender Price. [07]

Q-3 The following is the Trading and Profit & Loss Account of XYZ Manufacturing Co. for the year ended 31-3-2023: [14]

PARTICULAR	Rs.	PARTICULAR	Rs.
To Material	1,20,000	By Sales (2,500 Units)	500,000
To Direct Labour	1,00,000	By Finished Stock (500 Units)	80,000
To Factory Expenses	80,000		
To, Gross Profit	2,80,000		
	5,80,000		580,000
To Office expenses	85,000	By Gross Profit	2,80,000
To Sales Expenses	75,000	By Interest Received	5,000
To Preliminary Expenses	5,000	By Bad Debt Recovered	6,000
To Income Tax	10,000	By, Rent Received	4,000
Net Profit	1,20,000		
	2,95,000		2,95,000

The following information has been obtained on investigation of Cost Account

- (1) Material and wages are charged as actual cost.
- (2) Factory Exp. have been allocated to the production as 50% of prime cost.
- (3) Office and administration expenses have been charged at 12% of factory cost.
- (4) Sales Exp. have been charged as Rs 5 per unit sold.

Prepare

1. Cost Sheet
2. Reconciliation Statement

OR

- Q-3A** During the year 31-3-2023 Astha Ltd earn profit of Rs. 3,31,500 as per financial book. The cost book showed profit of Rs. 5,19,500 for the same period. You are required to prepare a Reconciliation statement from the information given. [07]

PARTICULAR	Rs.
1 Opening Stock Overstated in cost Accounts	35,000
2 Closing stock understated in cost Accounts	46,000
3 Factory overhead under recovered in cost Accounts	25,000
4 Admin overhead over recovered in cost Accounts	7,500
5 Selling overhead under recovered in cost Accounts	16,500
6 Dividend received not included in cost Accounts	15,000
7 Income tax provision provided in financial account	2,50,000

- Q-3B** Explain the reasons for the difference in profit as per cost and financial Accounts. [07]

- Q-4** Following balances have been taken from the cost ledger of Ajanta Company Ltd. as on 31-3-2022: [14]

PARTICULAR	Debit(Rs.)	Credit (Rs.)
Cost Ledger Control. A/c	-	6,00,000
Stores Ledger Control A/c	2,00,000	-
Work in Progress Ledger A/c	1,50,000	-
Finished Goods Ledger Control A/c	2,50,000	-
	6,00,000	6,00,000

Following were the transactions during the year 2022-23:

	Rs.
Purchase of materials	8,00,000
Materials issued to production	7,00,000
Material issued to repairs	30,000
Direct wages	2,00,000
Indirect wages	50,000
Carriage inward	18,000
Actual Factory overheads paid	1,50,000
Factory overheads absorbed by production	2,00,000
Actual office expenses paid	90,000
Office expenses absorbed by finished goods	80,000
Cost transferred to finished goods	12,00,000
Cost of sales	15,00,000
Sales	18,00,000

From the above information, prepare necessary accounts in cost ledger of the company and prepare Trial Balance as on 31-3-2023.

OR

- Q.4A** Following information is given by ABC Ltd. for the month of March-2016, pass necessary journal entries [07]

	Rs.
Raw material Purchased	30,000
Material Purchased for special job	2,000
Raw material returned to suppliers	15,000
Material issued to production	50,000
Material returned by production	8,000
Material destroyed by fire	1,000
Sales of finished goods	95,000

- Q.4B** Write a short note on "Cost Ledger Control Account" [07]

(P.T.O)

Q-5 Do as directed (Any- 7)

- (1) Salary of Factory officer will be included in:-
 - (A) Labour overheads
 - (B) Factory overheads
 - (C) Administrative overheads
 - (D) Selling overheads
 - (2) Generally, in a tender sheet, factory overheads are calculated as a percentage of :-
 - (A) Prime cost
 - (B) Factory/ works cost
 - (C) Production cost
 - (D) Total cost
 - (3) Which item is not considered in cost Accounts?
 - (A) Material
 - (B) Wages
 - (C) Direct Expenses
 - (D) Goodwill written off
 - (4) Gallon/litre is which industries cost unit?
 - (A) Bricks
 - (B) Petrol
 - (C) Cement
 - (D) Shipping
 - (5) Which one of the following is a "Period Cost?"
 - (A) Direct Labour
 - (B) Canteen expenses
 - (C) Office Rent
 - (D) Factory expenses
 - (6) Advertisement is _____ expense.
 - (A) Factory indirect
 - (B) Administrative indirect
 - (C) Selling & Distribution indirect
 - (D) None of the above
 - (7) When materials are issued from store to production, the particular material account is credited to. (Store ledger A/C / Work in progress A/C)
 - (8) Direct Wages transferred to Factory Overhead Account (True / False)
 - (9) Work in progress Ledger also known as _____ (Job ledger / Batch Ledger)
 - (10) Explain the terms " General Ledger Adjustment Account"
 - (11) In Automobile industry _____ Method is used. (Job costing / Process costing)
 - (12) Overhead cost is the total of _____. (All Indirect Expenses / All Direct Expenses)
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