

MJ-226

May-2025

B.B.A., Sem.-II**DSC-M-BBA-123 : Cost Accounting****Time : 2:00 Hour]****[Max. Marks : 50**

1. What is Cost Accounting ? Discuss any three advantages and limitations of Cost Accounting. **10**

OR

1. (A) Explain the terms : **5**
- (1) Direct Cost
 - (2) Indirect Cost
- (B) Give the proper methods of Costing of the following industries : **5**
- (1) Chemical Industries
 - (2) Printing Press
 - (3) Construction of Building
 - (4) Automobile Industries
 - (5) Railway Transport

2. ABC Ltd. produced and sold 20,000 units of clocks at its 50% production capacity in the year 2023-24. Selling price per unit is ₹ 500. **10**

Particulars	₹
Materials	20,00,000
Direct Wages	10,00,000
Direct Expenses	4,00,000
Factory Overheads (40% Variable)	20,00,000
Office Overheads (Fixed)	16,00,000
Selling Overheads (30% Variable)	10,00,000
Sales	1,00,00,000

For the year 2024-25, it is estimated that :

- (1) Production will be at its full capacity and 60% of production will be sold.
- (2) Price of material will go up by 25%.
- (3) Direct wages per unit increase by 10%.
- (4) Factory Expenses will increase by 10% in variable and fixed expenses.
- (5) Office overheads will increase by ₹ 3,20,000.
- (6) Variable Selling expenses per unit will go up by ₹ 4.
- (7) Fixed selling expenses will go up by ₹ 1,64,000.
- (8) The percentage of profit on cost is to be maintained according to previous year.

Prepare :

- (1) A Cost Sheet for the year 2023-24.
- (2) Estimated cost sheet for the year 2024-25.

OR

2. (A) Write a short note on : Tender Price. 5
 (B) From the following particulars find out total cost and total profit. 5
 There is no opening or closing stock of finished goods :
- | | |
|-------------------|------------|
| Material | ₹ 60,000 |
| Wages | ₹ 1,20,000 |
| Selling overheads | ₹ 20,000 |
| Total Sales | ₹ 4,32,000 |
- Factory Overhead is charged at 50% of Wages and office overhead is charged at 30% of factory cost.

3. Following is the Trading a/c and Profit and Loss a/c of Hari Ltd. for the year ended on 31-3-2025 : 10

Dr.	Trading and Profit & Loss Account		Cr.
Particulars	₹	Particulars	₹
To materials	8,75,000	By sales (5,000 units)	20,32,500
To direct wages	6,00,000	By finished stock (1,250 units)	3,42,500
To factory expenses	2,75,000	By Work in progress a/c	
To gross profit	7,50,000	Materials 62,500	
		Direct	
		Wages 25,000	
		Factory	
		Expenses <u>37,500</u>	1,25,000
	25,00,000		25,00,000
To office expenses	1,75,000	By gross profit	7,50,000
To sales expenses	37,500	By dividend received	50,000
To preliminary expenses written off	10,000	By rent received	12,500
To provision for income tax	27,500		
To net profit	5,62,500		
	8,12,500		8,12,500

The following information has been obtained on scrutiny of cost accounts :

- (1) Materials and wages are charged at actual cost.
- (2) Factory expenses are taken as 50% of wages.
- (3) Office expenses have been charged at 10% of works cost.
- (4) Sales expenses have been charged at ₹ 5 per unit, on units sold.

From the above information prepare :

- (1) Statement showing profit or loss as per cost accounts.
- (2) Statement showing reconciliation of profit or loss as per cost accounts and financial accounts.

OR

3. (A) Discuss the causes of difference in profit as per cost and financial accounts. **5**
 (B) Net profit shown by the Profit & Loss a/c of Kavya Ltd. is ₹ 4,00,000. Prepare Reconciliation statement and find out profit as per cost accounts after considering the following information : **5**

	₹
(1) Preliminary Expenses written off	10,000
(2) Dividend Received	30,000
(3) Penalty paid	15,000
(4) Undervalued closing stock in Cost Accounts	50,000

4. In a factory 5,500 workers were working in the beginning of a year and 6,500 workers were working at the end of the year. 600 workers were relieved during the year and 740 workers were newly recruited, out of which 440 workers were recruited for the newly created posts.

Find out the labour turnover rate as per

- (1) Separation Method
 (2) Replacement Method
 (3) Joint Method

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OR

4. (A) The following are the transactions receipts and issues of an item of raw material : **5**

Date	Particulars	Units	Price Per Unit ₹
1/3/2025	Opening Balance	600	20
3/3/2025	Purchased	800	25
7/3/2025	Issued	1,000	—
10/3/2025	Purchased	1,200	26
15/3/2025	Issued	800	—
20/3/2025	Purchased	2,000	28
22/3/2025	Issued	2,200	—

Prepare Stock Register, assuming that the issues are priced by LIFO method.

- (B) Write a short note on Halsey Plan.

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5. Do as directed : (Any Ten)

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- (1) Telephone bill is a _____ expense. (Semi Variable / Fixed)
 - (2) Where costs are ascertained after they are already incurred, the method used is termed as _____. (Historical Costing / Uniform Costing)
 - (3) Cost unit of Textile industry is _____. (per metre / per litre)
 - (4) Suppose the total cost of a product is ₹ 4,000 and if the 20% profit is to be calculated on the cost price, than what will be the Sales ?
 - (a) ₹ 4,800
 - (b) ₹ 4,000
 - (c) ₹ 5,000
 - (d) ₹ 6,000
 - (5) What would be prime cost, if direct material is ₹ 50,000 and direct labour is ₹ 40,000 ? (₹ 50,000 / ₹ 90,000)
 - (6) _____ item is not shown in cost sheet. (Provision for taxation / Direct material)
 - (7) Factory cost is also known as work cost. (True / False)
 - (8) Debenture interest is recorded in _____ accounts. (Cost / Financial)
 - (9) When loss as per Cost Accounts is ₹ 70,000 and Goodwill written off is ₹ 10,000, the loss as per the financial book would be _____. (₹ 80,000 / ₹ 60,000)
 - (10) Write full form of WAM.
 - (11) Standard time fixed for a job is 40 hours. A worker is paid ₹ 50 per hour. The actual time taken to complete the job is 30 hours. Total wages payable to worker according to piece wage system will be _____. (₹ 2,000 / ₹ 1,500)
 - (12) If management is efficient, labour turnover rate can be reduce. (True / False)
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