Roll No. 

**Total No. of Pages : 03**

**Total No. of Questions : 09**

**BRDM/Bachelor in Service Industry Management (SIM) (2014 & Onwards)**
**B.Sc. Business Economics (BBE) (2015 Batch)**
**BBA (2012 & Onward Batches) (Sem.–3)**

# COST ACCOUNTING

**Subject Code :BBE/BBA-303**

**Paper ID : [C1166]**

**Time : 3 Hrs.** **Max. Marks : 60**

**INSTRUCTION TO CANDIDATES :**

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTIONS-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt any ONE question from each Sub-section.**

## SECTION-A

**1. Write briefly :**

1. Explain three limitations of management accounting.
2. What is break-even-point?
3. How fixed cost differ from variable cost?
4. Define P/V ratio.
5. Discuss in detail benefits of marginal costing.
6. Define tender.
7. Discuss the significance of sunk cost.
8. What do you mean by cash flow statement?
9. How will you calculate cash from operation?
10. Define idle time.

## SECTION-B

### UNIT-I

2. Define cost accounting. Discuss in detail objectives, advantages and disadvantages of cost accounting. How to prepare cost sheet explain with the help of example?

3. Discuss in detail with the help of example methods of wage payment.

### UNIT-II

4. Define Overhead. Discuss in detail classification, absorption and apportionment of overheads.

5. From the following information explains how absorption costing differ from marginal costing, which technique is better in the short period and why?

| **Normal level of production** | **2600 units per period** |
|---|---|
| Sale price | Rs 10 per unit |
| Variable cost | Rs 6 per unit |
| Fixed cost | Rs 3 per unit |
| Total Fixed cost | Rs 7800 |

Information relating to the production and sales

| | **Period-I** | **Period-II** | **Period-III** | **Period-IV** |
|---|---|---|---|---|
| **Opening stock(Units)** | - | - | 500 | 200 |
| **Production(units)** | 2600 | 3000 | 2500 | 3000 |
| **Sales (units)** | 2600 | 2500 | 2800 | 3200 |
| **Closing stock(units)** | | 500 | 200 | - |

### UNIT-III

6. What do you mean by standard costing? Discuss in detail how to calculate material cost variance and labour cost variance with the help of example.

7. Anupam International LTD produces three products A, B, C each requiring more than one labour operation. Labour requirement per unit of output is given below :

| **Operation** | **A** | **B** | **C** |
|---|---|---|---|
| **1** | 10 | 20 | 5 |
| **2** | 5 | - | 10 |
| **3** | 15 | 10 | 5 |

The factory works for 8 hours per day for 26 days in a month. In a month 8 hours are lost due to various reasons. The budgeted hourly rates for the workers in operations 1, 2 and 3 are Rs.4, Rs.5 and Rs.6 respectively. The budgeted production during the Month for the three products is as follows :

| | |
|---|---|
| PRODUCT A | 4000 units |
| PRODUCT B | 6000 units |
| PRODUCT C | 8000 units |

Prepare a labour budget for the month showing for each operation

a) direct labour hour

b) direct labour cost

c) the number of workers.

## UNIT-IV

8. What is the purpose of ratio analysis? Explain with the help of example profitability, current and solvency ratios.

9. a) From the following information relating to Y LTD calculate the cash flow from operating activities :

| **Particulars** | **Rs.** |
|---|---|
| Operating profits before changes in operating assets | 57,500 |
| Debtors (decrease) | 5000 |
| Stock (increase) | 2000 |
| Bills payable (decrease) | 4500 |
| Creditors (increase) | 3200 |
| Cash at bank (increase) | 20,000 |

b) Discuss in detail advantage and limitations of cash flow statement.