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Total No. of Questions: 09 **Total No. of Pages: 03**

BBA/BRDM/Bachelor in Service Industry Management (SIM)(Sem. 3)

COST ACCOUNTING

Subject Code: BBA-303

Paper ID: C1166

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

INSTRUCTIONS TO CANDIDATES:

1. **Section A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **Section B contains 4 units. Each unit contains TWO questions carrying TEN marks each and students have to attempt at least ONE questions in EACH UNIT.**

SECTION A

1. Explain the following:

a) Cost Accounting.

b) Costing vs. Pricing.

c) Goods Received Note.

d) Direct vs. Indirect Labour.

e) Idle Time.

f) Rowan Plan.

g) Master Budget.

h) Uses of Ratio Analysis.

i) Break Even Analysis.

j) PN ratio.

SECTION B

UNIT I

2. In a Brass Foundry three types of building accessories, namely A, B and C are manufactured involving complicated designs. Each type is manufactured from the same mixture of Molten brass but requires skilled labour and care in moulding of each type. Draw up a cost sheet in the appropriate form showing the cost of production per cwt. For each type of products A, Band C with reference to following data:

Direct Material:

(1) Brass Ingots: 200 cwt. @Rs.500 per cwt.

(2) Coke: 50 cwt. @ Rs. 20 per cwt.

(3) Cupola labour: 20 men @ Rs.5 each per day for one day.

(4) Depreciation on Melting Furnace Equipment@50 paise per cwt. of ingot melt.

Molten brass taken out of the Cupola is distributed as 50% for A, 30% for B and 20% for C.

Direct Labour:

Moulding labour :
Article A- 200 men@ Rs.5 per day for one day
Article B- 150 men@Rs.6 per day for one day
Article C- 100 men.@ Rs.7 per day for one day
Foundry overheads:
Article A - 100 p.c. of direct labour.
Article B - 200 p.c. of direct labour.
Article C -300 p.c. of direct labour.
General Overhead: 10% on works cost
Assume no loss in melting and no rejection in moulding.

Or

3. "A good system of costing serves and helps to secure economy in manufacture". Discuss the statement to show the objects and functions of Cost Accounting.

Unit II

4. The following data are available from the records of S.T. Co. Ltd. For the year ended 31st March, 2014:

Sales	40,000
Variable Cost	20,000
Fixed Cost	12,000

You are required to:

(a) Calculate the PN ratio, B.E.P. and Margin of Safety at this level.
(b) Calculate the effect of 10% increase in sales price.
(c) Calculate the effect of 10% decrease in sales price.

Or

5. What is difference between Apportionment of overheads and Absorption of overheads? State with the help of imaginary figures how you would make the apportionment of overheads in the production departments and auxiliary services.

Unit III

6. What are Functional budgets? Which are the fundamental budgets most commonly used by management?

Or

7. Calculate the Labour variances from the following information:

Standard Wages:

Grade X : 90 Labourers @ Rs. 2 per hour

Grade Y : 60 Labourers @ Rs. 3 per hour

Actual Wages:

Grade X : 80 Labourers @ Rs. 2.50 per hour

Grade Y: 70 Labourers @Rs. 2.00 per hour

Budgeted Hours: 1,000 Actual Hours : 900

Budgeted Gross Production : 5,000 units

Standard Loss : 20%

Actual Loss : 900 units.

UNIT IV

8. State the different types of financial analysis and discuss the limitations of analysis and interpretation of financial statements.

Or

9. From the above Balance Sheet of Deepika Ltd; compute:

(a) Equity Ratio (Proprietory Ratio) (b) Debt- Equity Ratio

(c) Fixed Assets to Net Worth Ratio (d) Solvency Ratio

(e) Current Ratio (f) Fixed Assets Ratio

Deepika Ltd.

Liabilities	**Rs.**	**Assets**		**Rs**
Equity share capital	3,00,000	Goodwill		90,000
9% preference share capital	1,50,000	Land & Building		1,00,000
Reserve fund	50,000	Plant & Machinery		2,50,000
Profit and loss Ale	20,000	Equipment		60,000
Share Premium	10,000	Furniture & Fittings		80,000
8% Debentures	2,00,00	Sundry Debtors	92,000	
6%	0	*Less* Provision	- 2,000	90,000
Mortgage	60,000			1,00,000
Loan	80,000 -	Bills Receivables		1,20,000
Sundry	20,000	Stock-in-hand		45,500
Creditors	50,000	Cash Balance		1,500
Income tax		Prepaid Insurance		
Provision		Preliminary Expenses		
Depreciatio		Discount on issue of Debentures		
n Fund				
				2,000
				1,000
	9,40,000			9,40,000