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**[5162]-204**

**B.B.A. (II Sem.) EXAMINATION, 2017**

**BASICS OF COST ACCOUNTING**

**(2013 PATTERN)**

**Time : Three Hours**

**Maximum Marks : 80**

- N.B. :—**
- (i) *All* questions are compulsory.
  - (ii) Figures to the right indicate full marks.
  - (iii) Use of calculator is allowed.

1. (A) Fill in the blanks (any *five*) : [5]
- (a) ..... is the technique and process of ascertaining the cost.
  - (b) In case of ..... costing, cost is ascertained for each job.
  - (c) Carriage outward is an example of ..... overhead.
  - (d) Any loss in excess of the estimated loss is known as .....
  - (e) The basic object of Cost Accounting is to .....
  - (f) ..... is also known as service costing.

P.T.O.

(B) State whether the following statements are true *or* false  
(any *five*) : [5]

- (a) Cost Accounting provides information to management for cost control.
- (b) Abnormal costs are charged to costing Profit & Loss Account.
- (c) Indirect Material is an example of overhead cost.
- (d) Process Costing is applicable to sugar industry.
- (e) Cost Audit is compulsory for all companies.
- (f) Absorption of overheads is the last step in the distribution plan of overheads.

2. Define Cost Accounting and explain the advantages of Cost Accounting. [15]

*Or*

Explain the Allocation and Apportionment of the overheads. State the difference between Allocation and Apportionment of overheads.

3. Write short notes on (any *three*) : [15]

- (a) Advantages of Cost Audit
- (b) Absorption of overhead
- (c) Process Costing
- (d) Elements of Cost
- (e) Cost Unit.

4. The accounts of Yash Manufacturing Company for the year ended December, 2013 show the following : [16]

Particulars	₹
Factory office salaries	6,500
General office salaries	12,000
Carriage outward	4,300
Carriage on purchases	7,100
Bad Debts	6,500
Repairs of Plant and Machinery	4,400
Rent, Rates, Taxes and Insurance :	
Factory	8,500
Office	2,000
Sales	4,50,000
<b>Stock of Materials :</b>	
31st December, 2012	62,800
31st December, 2013	48,000
Income Tax	1,500
Material Purchased	1,85,000
Travelling Expenses	2,100
Travellers Salaries and Commission	8,800
Productive Wages	1,26,000
<b>Depreciation :</b>	
Plant and Machinery	6,000
Furniture	300

Directors Fees	6,500
Gas and Water :	
Factory	1,200
Office	400
Dividend	10,000
General Expenses	3,400
Managers Salary (3/4 factory and 1/4 office)	10,000

Prepare cost sheet giving the following information :

- (a) Material Consumed
- (b) Prime Cost
- (c) Factory Cost
- (d) Cost of Production
- (e) Total Cost
- (f) Net Profit.

5. (A) The following are the particulars relating to a contract which has begun on 1st January 2014 : [12]

Particulars	₹
Contract Price	5,00,000
Machinery	30,000
Materials	1,70,600
Wages	1,48,750
Direct Expenses	6,330
Cash received	3,51,000

Value of work certified	3,80,000
Outstanding wages	5,380
Uncertified work	19,000
Overheads	8,240
Material returned	1,400
Material in hand 31st Dec., 2014	3,900
Value of Machinery on 31st Dec., 2014	22,000

Prepare the Contract Account for the year 2014 and show the amount of work in progress as it would appear in the Balance Sheet of the year.

- (B) From the following data relating to the vehicle of Sai Transport Company, Pune, calculate the cost per kilometer and prepare the operating cost sheet : [12]

Cost of the Vehicle	₹ 3,00,000
Road License (Annual)	₹ 7,500
Insurance Charges (Annual)	₹ 7,000
Garage Rent (Annual)	₹ 6,000
Salary to supervisor (Annual)	₹ 12,000
Cost of Petrol	₹ 60 per litre
Wages to driver (Annual)	₹ 10,000

Kilometers run per litre 50 kms

Repairs and Maintenance per km is ₹ 2

Estimated list of the vehicle is 1,00,000 kms.

Interest and other charges ₹ 15,000 (per annum).

Annual running of the vehicle 15,000 kms.

*Or*

Product Y is obtained after it passes through three distinct processes, you are required to prepare process accounts, showing the total cost and cost per unit of each process from the following information :

Items	Process		
	I	II	III
	₹	₹	₹
Material	5,200	3,960	5,924
Wages	4,000	6,000	8,000

Production overheads ₹ 18,000 to be apportioned on 100% of wages. 1,000 units @ ₹ 6 per unit were introduced in Process I :

Actual Output	Unit	Normal Loss	Value of Scrap per unit ₹
Process I	950	5%	4
Process II	840	10%	8
Process III	750	15%	10