26. A product of a chemical enterprise passes through two processes A and B, and then to the finished stock. The normal wastage of each process is as follows:

Process A 3%

Process B 5%

The wastage of process A was sold @Rs. 2.50 per unit and that of process B@ 5 per unit. 10,000 units were issued to process A in the beginning of April 2021 at a cost of Rs. 10 per unit. The expenses were as follows:

	Process A	Process B
Sundry material	10,000	15,000
Wages	50,000	80,000
Manufacturing expenses	10,500	11,880

The actual output of process A was 9,500 units and that of process B,9,100 units. There were no opening or closing stock. Prepare the process accounts and determine the cost per unit of the finished product.

Briefly explain the treatment of wastage in the process account.

27. Xyz ltd wishes to prepare a cash budget from july to September 2021. Prepare a cash budget for the above period from the above information

	Sales₹	Purchases₹	Wages₹
June	240000	180000	26000
July	260000	190000	27500
August	200000	144000	22500
September	180000	150000	23000

- 50% of the sales are for cash and 50% for credit. The credit sales are realized in the month following sale.
- Creditors are paid in the month following the month of purchase
- Plant costing ₹20000 is to be purchased in july, 50% of the same is paid in the month the remaining 50% in the next month
- Cash balance on 1st july id ₹8000

(2 × 10 = 20 Marks)

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20U421 (Pages: 4) Name: ……………………

Reg. No: …………………

FOURTH SEMESTER B.B.A. DEGREE EXAMINATION, APRIL 2022

(CBCSS - UG)

(Regular/Supplementary/Improvement)

CC19U BBA4 B06 - COST & MANAGEMENT ACCOUNTING

(B.B.A. - Core Course)

(2019 Admission onwards)

Time: 2.5 Hours Maximum: 80 Marks

Credit: 4

Part A (Short answer questions)

Answer ***all*** questions. Each question carries 2 marks.

1. What is meant by marginal costing?
2. What do you mean by semi-variable cost?
3. What is selling overhead?
4. Define management accounting.
5. Write two difference between cost accounting and management accounting?
6. What is stores?
7. What do you mean by reorder level?
8. What is E0Q?
9. Define overheads
10. From the following information calculate the cost of sales: Prime cost Rs.51000; Works overhead -20% on prime cost; Administrative overheads 10% on works cost; selling overhead-5% on cost of production.
11. What is job costing?
12. In what type of concerns job costing is applicable?
13. What is cost volume profit analysis?
14. What are the four importance of contribution?
15. What is budgeting?

(Ceiling: 25 Marks)

Part B (Paragraph questions)

Answer ***all*** questions. Each question carries 5 marks.

16. Briefly discuss the objectives of cost accounting.
17. Distinguish between cost unit and cost centre.

18. From the following data, prepare a statement showing the cost per day of 8 hours of engaging a particular type of labour:

(i) Monthly salary (basic plus dearness allowance)	200.00
(ii) Leave salary payable to the workman	5% of salary
(ii) Employer's contribution to Provident Fund	8% of (i) and (i)
(iv) Employer's contribution to State Insurance	2.5% of (i) and (i)
(v) Pro rata expenditure on amenities to labour.	17.95 per head per month
(vi) No. of working hours in a month	200 hours

19. Distinguish between overhead apportionment and overhead absorption

20. A product passes through different process to completion 1000 units rae introduced to process 1 at a cost of ₹30 per unit direct labour and direct expenses for the process were ₹ 10,000 and ₹ 5000 respectively. Overhead expenses ₹ 3000 it is estimated that 10% of material introduced to the process would be lost normally. Actual production was 900 units. units lost realized a scrap value of ₹ 8 per unit prepare process account and normal loss account.

21.

Selling price per unit	₹ 50
Variable cost per unit	₹ 40
Fixed cost	₹ 80,000

Calculate the number of units to be sold to earn a profit of ₹ 1,20,000.

22. From the following information calculate BEPin units and sales value.

Selling price per unit	₹ 30
Variable cost per unit	₹ 20
Fixed cost	₹ 50,000.

23. prepare a flexible budget at 80% and 100%activity on the basis of the following information.

Production at 50% capacity	5000 units
Raw materials	₹ 80 per unit
Direct labour	₹ 50 per unit
Expenses	₹ 15 per unit
Factory expenses	₹ 50,000(50%)
Administrative expenses	₹ 60,000(60%)

(Ceiling: 35 Marks)

Part C (Essay questions)

Answer any ***two*** questions. Each question carries 10 marks.

24. Prepare a stores ledger account for the following transactions. (Issues are to be priced on the basis of last-in-first-out method):

2021 January	1	Opening balance 12,000 kg at rupees 7.5 per M.T
	1	Purchased 22,000 kg at 7.6 per M.T
	1	Issued 5,000 kg
	5	Issued 7,000 kg
	12	Issued 8,000 kg
	13	Surplus returned from production 2,000 kg
	18	Issued 12,000 kg
	22	Purchased 25,000 kg at 7.40 per M.T
	23	Issued 7,000 kg
	28	Issued 6,000 kg
	31	Stock verified and 500 kg was found to be excess

25. Bajaj Electronics Ltd. manufactured and sold 1000 electric irons during the year ended as on 31 December 2018. Following were the expenses for manufacture of 1000 irons:

Materials	Rs.80000
Direct wages	Rs.120000
Manufacturing cost	Rs.50000
Selling expenses	Rs.40000
Other overhead expenses	Rs.90000

For the year ending on 31 December 2019, it is estimated that:

a. Output and sales will be 1500 electric irons
b. Price of material will rise by 25% per unit
c. Wages per unit will decrease by 10%
d. Manufacturing cost will rise in proportion to the combined cost of materials and wages
e. Selling expenses per unit will remain unchanged
f. Other overheads will increase by Rs.60000

Prepare cost statement, showing price at which, the electric irons should be marketed so as to earn a profit of 20% on selling price.