

26. The accounts of Z manufacturing co. for the year ended December 2015 showing the following:

Drawing office salaries	:	Rs. 6,500
Counting house salaries	:	Rs. 12,600
Carriage outwards	:	Rs. 4,300
Bad debts written off	:	Rs. 6,500
Repairs of plant	:	Rs. 4,450
Director's fee	:	Rs. 6,000
Gas and Water-Factory	:	Rs. 1,200
Office	:	Rs. 400
Stock of materials: 31-12-14	:	Rs. 62,800
31-12-15	:	Rs. 48,000
Material purchases	:	Rs. 1,85,000
Travelling expenses	:	Rs. 2,100
Traveller's commission	:	Rs. 7,700
Productive wages	:	Rs. 1,26,000
Depreciation: Plant	:	Rs. 6,500
Furniture	:	Rs. 300
Rent, Rates and Tax: factory	:	Rs. 8,500
Office	:	Rs. 2,000
Sales	:	Rs. 4,61,100
Manager's salary (3/4 factory, 1/4 office)		Rs. 10,000
General expenses	:	Rs. 3,400

Prepare Cost sheet.

27. Define marginal cost. What are the characteristics and assumptions of marginal costing?

(2 × 10 = 20 Marks)

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(Pages: 4)

Name: .....

Reg. No: .....

**FOURTH SEMESTER B.B.A. DEGREE EXAMINATION, APRIL 2024**

(CBCSS - UG)

(Regular/Supplementary/Improvement)

**CC19U BBA4 B06 – COST AND 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 differential costing?
2. What do you mean by semi-variable cost?
3. What are production cost centre?
4. What do you mean by direct labour?
5. Define management accounting.
6. Give two objectives of material control.
7. What is maximum level?
8. What are the disadvantages of weighted average price method?
9. What is administration overhead?
10. What do you mean by tender price and quotation price?
11. What is job costing?
12. In what type of concerns job costing is applicable?
13. Give four importance of CVP analysis.
14. Give the equation of margin of safety.
15. What is fixed budget?

(Ceiling: 25 Marks)

**Part B** (Paragraph questions)

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

16. "Cost accounting has become an essential tool of management" - Give your comments on this statement.
17. What are the difference between cost accounting and management accounting?

(1)

**Turn Over**

18. In a company, weekly minimum and maximum consumption of material A are 25 and 75 units respectively. The reorder quantity as fixed by the company is 300 units. The material is received within 4 to 6 weeks from issue of supply order. Calculate minimum level and maximum level of material A.

19. ABC Ltd. has three production departments and four service departments. The expenses of these departments as per primary distribution summary are as follows:

Production departments:

A	Rs. 45,000
B	Rs. 40,000
C	Rs. 30,000

Service departments:

Stores	Rs. 16,200
Time keeping	Rs. 12,000
Power	Rs. 9,000
Canteen	Rs. 5,000

The following information is available in respect of the production departments:

	A	B	C
Value of stores requisitioned	8000	6000	4000
No. of workers	50	30	20
H.P. of machines	600	500	400

Apportion the costs of service departments to the production departments.

20. The output from process X transferred to process Y was 2500 units. Normal loss was 10% of input in process X and was 300 units. 200 units were reported to be as abnormal loss. The other information is given below:

Materials introduced @ ₹5 per unit, labour cost ₹ 4000 and overheads ₹ 33500 and normal loss realized ₹ 2.50 per unit.

You are required to prepare process account X and abnormal loss account.

21. Find out fixed cost with the help of P/V ratio.

Sales	₹ 4,00,000
P/V ratio	30%
Profit	₹ 40,000

22. What are the advantages of budgetary control?

23. What is cash budget? What are the advantages of it?

**Part C (Essay questions)**

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

24. In a factory bonus system, bonus hours are credited to the employee in the proportion of time taken which time saved bears to time allowed. No overtime is worked and payment is made in full for all units worked on, including those subsequently rejected. From the following information you are required to calculate for each employee: (i) The amount of bonus earned by each employee, (i) The total earnings of each employee, and (ii) The wages cost of each good unit produced.

Employee	A	B	C
Basic wage rate per hour	5	8	7.50
Units issued for production	2,500	2,200	3,600
Time allowed (for 100 units)	2hrs. 36 mts.	3 hrs. 1 hr.	30 mts.
Time taken	52 hrs.	75 hrs.	48 hrs.
Rejects	100 units.	40 units	400 units

25. A product is finally obtained after it passes through three distinct processes. The following information is available from the cost records.

	Process I	Process II	Process III	Total
Materials	2,600	2,000	1,025	5,525
Direct wages	2,250	3,680	1,400	7,330
Production overheads	---	---	---	7,330

500 units @ 74 per unit were introduced in Process I. Production overheads are absorbed as percentage of direct wages.

Actual output and normal loss of the respective process are given below

	Actual Output (units)	Normal loss as a % of input	Value of scrap (per unit)
Process I	450	10%	Rs. 2
Process II	340	20%	Rs. 4
Process III	270	25%	Rs. 5

Prepare the process accounts and the abnormal gain / loss accounts.