

NRT/KS/19/5547**Bachelor of Business Administration (B.B.A.) Semester–I Examination****COST ACCOUNTING****Compulsory Paper–4**

Time : Three Hours]

[Maximum Marks : 80

N.B. :— (1) All questions are compulsory.

(2) All questions carry equal marks.

1. (A) Explain Cost Accounting. State the various methods of costing. 8

(B) Discuss the advantages and limitations of Cost Accounting. 8

OR

(C) From the following particulars prepare :

(a) Profit and Loss account

(b) Statement showing the cost of manufacture, calculating factory on cost at 25% of prime cost and office on cost at 75% of factory on cost.

(c) Statement reconciling the profit shown by the cost accounts with that shown by profit and loss account. Selling price is fixed at cost plus 25%.

Particulars	Rs.	
Stock on 1 st April 2016		
Raw Material	40,000	
Finished goods	80,000	
Stock on 31 st March 2017		
Raw Material	60,000	
Finished goods	20,000	
Purchase of Raw Material	2,40,000	
Wages	1,00,000	
Sales	6,50,000	
Works Expenses	77,500	
Office Expenses	61,000	16

2. (A) From the following details prepare Process Account :

Particulars	Process A	Process B
Material	4,00,000	1,00,000
Wages	2,00,000	1,00,000
Factory expenses	60,000	45,000
Opening Stock	20,000	30,000
Closing Stock	30,000	40,000
Sale of scrap	15,000	20,000

For the production total indirect expenses of Rs. 36,000 allocated 2:1 process A and process B
 Prouction for the period is 5,000 tonnes. 8

- (B) In a factory the output passes through M and N process. In both processes 5% of the total weight put in is lost and 10% is scrap which is realised from process M and N, Rs. 20 and Rs. 30 per ton respectively. Following details are available :

Particulars	Process	Process
	M (Rs.)	N (Rs.)
Material Consumed	80,000	10,000
Cost of material per ton	30	50
Wages	2,00,000	1,00,000
Manufacturing expenses	1,50,000	50,000
Prepare Process Account.		

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OR

- (C) The following details are extracted from the costing records of an oil refinery for the week-ended Sep. 30 :

Particulars	Crushing Rs.	Refining Rs.	Finishing Rs.
Cost of Labour	37,500	15,000	22,500
Electric Power	9,000	5,400	3,600
Sundry Material	1,500	30,000	—
Repairs to machinery and plant	4,200	4,950	2,100
Steam	9,000	6,750	6,750
Factory Expenses	19,800	9,900	3,300
Cost of Casks	—	—	1,12,500

Purchase of 7,500 Tons of Copra at a cost of Rs. 30,00,000.

4,500 Tons crude oil was produced.

3,750 Tons of oil was produced by refining process.

3,720 Tons of refined oil was finished for delivery.

Copra sacks sold for Rs. 6,000.

2,625 Tons of Copra residue sold for Rs. 1,65,000.

Loss in weight in crushing 375 Tons.

675 Tons by-product was obtained from refining process Valued at Rs. 1,01,250.

You are required to show the accounts in respect of each of the following stages of manufacture for the purpose of arriving at the cost per ton of each process and also the total cost per ton of finished oil :

- Copra Crushing Process A/c.
- Refining Process A/c.
- Finishing Process A/c.
- Finished Goods A/c.

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3. (A) M/S Shilpa distributes goods to regional dealer using single vehicles. Dealer's premises are 40 km away by road. The vehicle has capacity of 10 tons and makes journey twice a day fully on the outward journey and empty on return journey. The following information are given :

Diesel consumption	8 km per litre
Diesel cost	13 per litre
Oil	100 per week
Driver's wages	400 per week
Repairs	100 per week
Garage Rent	150 per week
Cost of vehicle (excluding tyres)	4,50,000
Life of vehicle	80,000 km
Insurance	6,500 p.a.
Cost of tyres	6,250
Life of tyres	25,000 km
Estimated sale value of vehicle at the end of its life	50,000
Vehicle's license cost	1,300 p.a.
Other overheads cost	41,600 p.a.

The vehicle operates on five days a week.

Prepare a statement showing total cost of operating the vehicle for the 4 weekly period
Analyse into running cost and fixed cost vehicle cost per km per ton. 8

- (B) Subhash Transport Co. owns a fleet of 10 trucks each costing Rs. 5,40,000. The company has employed one manager, who is paid Rs. 18,000 per month, an accountant who gets Rs. 5,000 p.m. and a peon who gets Rs. 3,000 p.m. The trucks are insured @ 2% p.a. The annual total tax is Rs. 18,000 per truck. The other expenses are as follows :

Driver's Salary	Rs.15,000 p.m.
Cleaner's Salary	Rs. 6,000 p.m.
Mechanic's Salary	Rs. 4,000 p.m.
Diesel consumption	3 km per liter @ 48.60 per liter
Repair and maintenance	Rs. 24,000 per year for one truck

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The estimated life of the truck is 5 years. Other information :

- (1) Distance traveled by each truck per day 200 km.
- (2) Normal loading capacity 100 quintals.
- (3) Wastage in loading capacity 10%.
- (4) Percentage of truck held up for repairs 5%.
- (5) Effective days in a month 25 days.

Calculate cost per quintal and cost per k.m.

OR

(C) Mr. Shashank owns a bus which runs according to the following schedule :

- (1) Delhi to Chandigarh and back the same day. Distance covered : 150 km one way

Number of days run each month : 8

Seating capacity occupied : 90%

- (2) Delhi to Agra and back the same day. Distance covered : 120 km one way

Number of days run each month : 10

Seating capacity occupied : 85%

- (3) Delhi to Jaipur and back the same day. Distance covered : 270 km one way

Number of days run each month : 6

Seating capacity occupied : 100%

Cost of the bus 6,00,000

Salary of the driver 2,800 p.m.

Salary of the conductor 2,200 p.m.

Salary of the part-time
accountant 200 p.m.

Insurance of the bus 4,800 p.a.

Diesel consumption 4 km per liter at Rs. 6 per liter

Road Tax 1,500 p.a.

Lubricant Oil Rs. 10 per 100 km

Permit Fee 1,000 pm

Repair and maintenance 315 pm

Depreciation of the bus @ 20% pm

Seating capacity of the bus 50 persons

Passenger tax is 20% of the total taking. Calculate the bus fare to be charged from each passenger to earn a profit of 30% on the total takings. The fares are to be indicated per passenger for the journeys :

- (1) Delhi to Chandigarh

- (2) Delhi to Agra

- (3) Delhi to Jaipur.

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4. (A) Calculate P/V Ratio, BEP, profit on sales of Rs. 1,20,000; sales to earn profit of Rs. 25,000; margin of safety on sale of Rs. 2,50,000; margin of safety on a profit Rs. 12,000 :

If selling price per unit Rs. 20

Variable cost per unit Rs. 15

Fixed cost Rs. 20,000 p.a.

8

(B) Position of Moon Company Ltd. in the year 1995 was as follows :

Sales	1,00,000
Variable cost	60%
Fixed cost	20%

Find out :

- (1) P/V Ratio
- (2) BEP
- (3) Net profit on the sale of Rs. 60,000
- (4) Sale to earn a profit of Rs. 1,60,000.

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OR

(C) Find out :

- (1) Profit Volume Ratio
- (2) Fixed cost
- (3) BEP
- (4) Net profit on the sale of Rs. 2,00,000
- (5) Sale to earn a profit of Rs. 24,000
- (6) Variable cost for 2008
- (7) Margin of safety for 2009

Year	Sale	Profit
2016	1,50,000	15,000
2017	1,70,000	20,000

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5. (A) Write a note on classification of costs. 4
- (B) Normal and abnormal loss in process accounting. 4
- (C) Features of operating costing. 4
- (D) 'Cost Control' in marginal costing. 4