(i) Printed Pages: 7 Roll No. ....

(ii) Questions : 14 **Sub. Code : 1 7 9 0 0**

Exam. Code : 0 0 2 6

Bachelor of Business Administration 6th Semester

(2055)

COST ACCOUNTING AND ANALYSIS

Paper : BBA 327

Time Allowed : Three Hours] [Maximum Marks : 80

Note :— (1) From Section-A : Attempt any **FOUR** out of **SIX** questions. Each carries **5** marks.

(2) From Section-B and Section-C : Attempt any **TWO** out of **FOUR** questions from each section. Each carries **15** marks.

SECTION–A

1. From the following information calculate the EOQ :

Monthly Consumption : 400 units

Cost of placing and receiving one order : Rs. 50

Cost per unit : Rs. 10

Storage and carrying cost : 10% of inventory value.

Also state the number of orders to be placed in a year.

2. From the particulars given below, prepare the labour cost per man, day of 18 hours :

(a) Basic Salary : Rs. 100 per day

(b) D.A. Rs. 2.50 per point over 100 points cost of living index for working class. Current cost of living index is 700 points.

(c) Leave Salary : 10% of (a) and (b)

(d) Employer's contribution to PF : 8% of (a), (b) and (c)

(e) Employer's contribution to State Insurance : 2.5% of (a), (b) and (c)

(f) Expenditure on amenities to labour : Rs. 200 per head p.m.

(g) No. of working days in a month : 25 days of 8 hours each.

3. From the following particulars of a manufacturing concern, prepare a statement showing :

(a) Cost of materials used

(b) Works cost

(c) Cost of production.

Stock of materials on 1-1-2016	Rs. 40,000
Purchase of materials	Rs. 11,00,000
Stock of finished goods on 1-1-2016	Rs. 50,000

Productive wages	Rs. 5,00,000
Finished goods sold	Rs. 24,00,000
Works overheads	Rs. 1,50,000
Office and General Expenses	R. 1,00,000
Stock of material on 31-1-2016	Rs. 1,40,000
Stock of finished goods on 31-1-2016	Rs. 60,000

4. Calculate Fixed Overheads Cost Variance from the information given below :

	Standard	**Actual**
Fixed Overheads (Rs.)	8,000	8,500
Output in Units	4,000	3,800

5. Differentiate between Cost Accounting and Financial Accounting.

6. Write a short note on Variance Analysis.

SECTION–B

7. Oil India is a bulk distributor of high-octane petrol. A periodic inventory of petrol on hand is taken when the books are closed at the end of each month. Following summary of information is available for the month of June 2023 :

Sales Rs. 9,45,000; General administration cost Rs. 25,000; Opening Stock : 1,00,000 litre @ Rs. 3 per litre Rs. 3,00,000; Purchases (including freight).

June 1 : 2,00,000 litre @ Rs. 2.85 per litre; June 30 : 1,00,000 litre @ Rs. 3.03 per litre. Closing Stock on June 30 : 1,30,000 litres.

Compute the following data by FIFO, Weighted Average and LIFO Method of Inventory Costing.

8. In a factory Group Bonus System is in use which is calculated on the basis of earnings under time rate. Following particulars are available for a group of 4 workers P, Q, R and S :

(i) Output of the group 16,000 units

(ii) Piece rate per 100 units Rs. 2.50

(iii) Number of hours worked by each worker and individual time rate for each worker is given below :

	No. of Hrs. Worked	**Time rate per hour**
P	90	Rs. 0.80
Q	72	Rs. 1
R	80	Rs. 1.20
S	100	Rs. 0.80

Calculate the total of wages and bonus earned by each worker.

9. Discuss in detail the various techniques of material control along with merits and demerits.

10. Define Labour Turnover. How is it computed ? Why it is a serious concern for the management ?

SECTION–C

11. The machine shop of a manufacturing concern has 6 identical machines manned by 6 operators. The total cost of the machines is Rs. 8,00,000. The following information relates to six months period ended 30.09.2022 :

Particulars	**Book Value (Rs.)**
Normal available hours per month	208
Absenteeism (without pay) hours per month	18
Leave (with pay) hours per month	20
Normal idle time hours per month	10
Average rate of wages per hour per operator	Rs. 2.50
Production bonus	15% of wages
Power and fuel consumption	Rs. 9,000

Supervision	Rs. 3,300
Electricity and Lighting	Rs. 1,200
Insurance per annum	Rs. 42,000
Repairs and Maintenance per annum	3% of value of machine
Depreciation per annum	10% of Original Cost
Allocated factory overheads per annum	Rs. 75,690

Calculate Machine Hour Rate.

12. A company manufactures a single product. The standard mix is as under :

Material A – 60% at Rs. 20 per kg.

Material B – 40% at Rs. 10 per kg.

Normal loss in production is 20% of input. Due to shortage of material A, the standard mix was changed.

The actual results of February 2024 were :

Material A – 105 kg at Rs. 20 per kg.

Material B – 95 kg at Rs. 9 per kg.

Actual output – 165 kg.

Calculate the various material variances.

13. Why do you mean by 'Analysis of Variances' ? Explain briefly the various types of variances.

14. Differentiate between allocation, apportionment, and absorption of overheads. Also discuss the various methods for absorption of overheads.