

Roll No.

Total No. of Questions : 13]

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Paper ID [B0113]

(Please fill this Paper ID in OMR Sheet)

BBA (BB - 302) (S05) (O) (LE) (Sem. - 3rd)

COST ACCOUNTING

Time : 03 Hours

Maximum Marks : 75

Instruction to Candidates:

- 1) Section - A is **Compulsory**.
- 2) Attempt any **Nine** questions from Section - B.

Section - A

Q1)

(15 x 2 = 30)

- a) Write short note on fixed and variable cost.
- b) What do you mean by cost control?
- c) What is meant by "Break-even Point"?
- d) Write short note on EOQ.
- e) What are main objectives of cost accounting?
- f) What do you mean by marginal cost? Explain with example.
- g) Write short note on FIFO method.
- h) Explain with example Piece wage system.
- i) What is meant by standard costing?
- j) Explain in brief margin of safety.
- k) Describe in few words profit volume (P/V) ratio.
- l) Write four points of Difference between cost accounting and financial accounting.
- m) Explain the meaning of inventory control.
- n) Relevant cost and opportunity cost.
- o) From the following information calculate break even point

Fixed Cost	Rs. 45,000
Variable cost	Rs. 45,000
Sales	Rs. 1,00,000

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P.T.O.

Section - B

(9 x 5 = 45)

- Q2)** How do you assess product profitability? What factors are considered for regarding cost while making make or buy decisions?
- Q3)** Distinguish between piece wage and time wage system.
- Q4)** What are the main causes of difference between the results shown in financial accounts and cost accounts?
- Q5)** What are the main advantages of preparing break-even charts?
- Q6)** Explain the importance of cost accounting.
- Q7)** What are the main advantages of LIFO method?
- Q8)** The average annual consumption of material is 20,000 kg at a price of Rs. 2 per kg. The storage cost is 16% on average inventory and the cost of pricing one order is Rs. 50. How much is to be purchased at a time?
- Q9)** From the following data calculate
- (a) P/V Ratio
 - (b) Profit when sales are Rs. 20,000
- Fixed expenses Rs. 4,000
Break even point Rs. 10,000.
- Q10)** From the following information calculate
- (a) Material cost variance
 - (b) Material price variance
 - (c) Material usage variance.
- | | |
|----------------------------|-----------|
| Standard output | 100 units |
| Standard material per unit | 3 lbs |
| Standard price per lbs | Rs. 2 |
| Actual output | 80 units |
| Actual price | Rs. 2.50 |
| Actual material used | 250 lbs |

Q11) Prepare cost sheet to show total cost of production and cost per unit for the goods manufactured by the company for the month of August 2009.

Stock of raw material as on 1.08.2009	3,000
Raw material purchased	28,000
Stock of raw material as on 31.08.2009	4,500
Manufacturing wages	7,000
Depreciation on plant	1,500
Loss on sale of part of plant	300
Factory rent and rates	3,000
Office rent	500
General expenses	400
Discount on sales	300
Advertisement Expense to be charge fully	600
Income tax paid	2,000

The number of units produced during August 2009 was 3,000.

Q12) What is standard costing? What are its advantages?

Q13) The budgeted and actual figures for the month of January in respect of sales are given below :

Product	Budgeted			Actual		
	Quantity	Price (Rs.)	Value (Rs.)	Quantity	Price (Rs.)	Value (Rs.)
A	600	10	6,000	600	8	4,800
B	1000	4	4,000	800	5	4,000
			10,000			8,800

Calculate the sales variances, presuming that the products are not homogeneous.

