0181

AR - 1125

B.B.A. Part – II

Cost Accounting

P. Pages : 7

Time : Three Hours | Max. Marks : 80

Notes : 1. Solve all questions
2. Figures to the right indicate marks.

1. a) Explain in brief any four methods of costing. **4**

b) Determine the uses of cost Accounting. **4**

c) Explain the objects of material control. **4**

d) What are the advantages of FIFO method? **4**

OR

e) What is cost Accounting? **4**

f) What are the different elements of cost? **4**

g) Explain the concept of economic order Quantity? **4**

h) From the following information, calculate the inventory turnover ratio for both materials:- **4**

Particulars	Material A	Material B
Material in Hand (1/04/13)	10,000	35,000
Material purchased during the year	76,000	50,000
Material in hand (31/03/14)	6,000	25,000

2. a) From the following information. Prepare a statement showing cost & profit per mobile sold:- **16**

Particulars	Samsung (Rs)	Nokia (Rs.)
Material	1,50,000	Rs. 6,05,000
Labour	1,12,500	4,12,500

Works overhead is charged 50% on labour & office overhead is taken at 10% on works cost. The selling & distribution overhead charged @ ₹50 per unit sold. The selling price of both mobiles is ₹ 5,000 per mobile. Samsung-75 & Nokia-275 mobiles were sold.

OR

b) Pride oil mill is engaged in the production of main product A & in the course of manufacture By-product - B &C also produces which after a separate process have commercial values. Joint Expenses are as follows:- **16**

Material	Rs. 11,200
Labour	Rs. 9,500
Overheads	Rs. 9,000
	Rs. 29,700

Separate expenses are as follows:-

Particulars	A	B	C
Material	4,000	2,500	1,300
Labour	4,200	3,000	1,200
Overheads	4,400	2,000	1,000
	12,600	7,500	3,500

Selling price	51,000	21,000	10,000
Profit on sales	40%	30%	20%

Prepare main product A A/c, By-product B A/c & By-product C A/c.

3. a) What is standard costing? **4**

b) Explain standard costing as a management tool. **4**

c) What are the important uses of variance analysis? **4**

d) From the data given below, calculate sales variance & analyse it:- **4**

Budgeted units of sales	2,000
Actual unit sold	1,600
Budgeted selling price	Rs. 15 per unit
Actual selling price	Rs. 20 per unit

OR

e) Explain advantages of standard costing. **4**

f) Distinguish between standard cost and estimated cost. **4**

g) What are the types of standards? **4**

h) The standard cost of material for the making of 100 units of a certain product are estimated as under:- **4**
Material 1,600 kgs @ Rs. 5 per kg. on completion of production of a unit, it was found that 1,500 kgs. Of material costing Rs. 5.50 per kg. has been consumed. You are required to analyse material cost variance.

4. a) What are the advantages of absorption costing? **4**

b) What are the limitations of variable costing? **4**

c) Explain the concept of decision making. **4**

d) In two periods, total cost amount Rs. 40,000 & Rs. 50,000 against. Production of 15,000 units & 20,000 units respectively. How much is marginal cost per unit & how much is fixed cost? **4**

OR

e) Distinguish between marginal costing & absorption costing. **4**

f) Explain the advantages of marginal costing. **4**

g) From the following details provided by a manufacturer, Find out marginal cost per unit & fixed cost:- **4**

Particular	I year	II year
Per unit total cost (in Rs)	5	4.80
Production (in units)	1,00,000	1,50,000

h) From the information given below prepare statement of Income Under Absorption costing technique:- **4**

Production =5500 units
Sales=5000 units @ Rs. 2.40 per unit
Variable manufacturing costs Rs.1.20 per unit
Fixed manufacturing cost Rs. 2,860.
Selling expenses Rs. 1,300 of which Rs. 400 is variable.

5. a) A company budgets for production of 1,50,000 units. The variable cost per unit Rs. 14 & fixed cost Rs. 2 per unit. The company fixes its selling price to fetch a profit of 15% on cost. **16**

i) Calculate: Break even point in units & Rupees.

ii) Calculate: Profit volume Ratio.

iii) If it reduces its selling price by 5% how does the revised selling price affect the B.E.P. & P/V Ratio calculate Revised BEP in units & Rupees & Revised P/V Ratio.

iv) If a profit increase by 10% is desired more than the budget, what should be the sales (in Rs units) at reduced price as per above provision.

OR

5. b) Rahul company has annual fixed cost of Rs. 1,20,000. In 2013 sales amounted to Rs. 6,00,000 as compared to Rs. 4,50,000 in 2012 & profit in 2013 was Rs. 50,000 higher than in 2012. **16**

i) At what level of sales does the company break even in Rs.

ii) Determine profit or loss on a present sales volume of Rs. 9,00,000.

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