

**B.B.A SEMESTER - II**

Oct = 2017

**COST ACCOUNTING****PAPER NO : CC-203 SUBJECT CODE : 20235****Time : 2:30 Hours****Marks : 70**

Q - 1 Discuss Advantages &amp; Disadvantages of Cost Accounting.

[14]

**OR**

Q - 1[A] Discuss Objectives of Cost Accounting.

[7]

Q - 1 [B] Write a note on: Functions of Cost Accountant

[7]

Q - 2 [A] Write a note on: Elements of Cost

[7]

Q - 2 [B] Write a note on: Methods of Costing

[7]

**OR**

Q - 2 Write a detailed note on Cost Classification

[14]

Q - 3 [A] Prepare a format of cost sheet.

[7]

Q - 3 [B] Write a note on tender cost sheet.

[7]

**OR**

Q - 3 A Firm manufactured and sold 1,000 units in the year 2015. Its summarized Trading, Profit &amp; Loss Account for the year 2015 is set out below:

[14]

Particulars	Rs.	Particulars	Rs.
To Cost of Materials	1,60,000	By Sales	8,00,000
To Direct Wages	2,40,000		
To Manufacturing Charges	1,00,000		
To Gross Profit c/d	3,00,000		
	<b>8,00,000</b>		<b>8,00,000</b>
To Mgmt. & Staff Salaries	1,20,000	By Gross Profit	3,00,000
To Rent, Rates & Insurance	20,000		
To General Expenses	40,000		
To Selling Expenses	60,000		
To Net Profit	60,000		
	<b>3,00,000</b>		<b>3,00,000</b>

For the year 2016, it is estimated that:

1. The output and sales will be of 1,200 units.
2. Price of materials will rise by 20%.
3. Wages rates will rise by 5%.
4. Manufacturing charges will increase in proportion to the combined cost of Materials and wages.
5. Selling expenses per unit will remain unchanged.
6. Other expenses will remain unaffected by the rise in output.

Prepare a statement showing the price at which units is to be manufactured in 2016 should be marketed so as to show profit of 10 percent on selling price.

Q - 4[A] Write a note on reasons for disagreement in profits of Financial Accounts &amp; Cost Accounts.

[7]

Q - 4[B] Write a note on Procedure of reconciliation statement

[7]

**OR**

Q - 4 Following figures are available from financial accounts of X Ltd

[14]

Particulars	Rs.	Rs.
Opening Stock of Raw Material		29,000
Purchase of Raw Material		1,87,000
Closing Stock of Raw Material		32,000
Direct Wages : Paid	2,80,000	
: Outstanding	18,000	2,98,000
Factory Overheads		1,90,750
Administrative Overheads		1,22,500
Work in Progress (Closing Stock)		
Materials	4,000	
Wages	5,500	
Factory Exp	3,300	12,800
Sales (7,600 units)		9,12,000
Selling Exp		1,00,000
Distribution Exp		64,000
Preliminary Exp Written Off		5,000
Penalty Paid		1,000
Debenture Discount Written Off		1,500
Rent Income		3,000
Dividend Income		2,500
Closing Stock of Finished Goods (1,400 units)		1,17,600

The cost account reveals.

1. Material & Wages are taken at their cost price.
2. Factory overheads are taken at 60% of direct wages.
3. Administration overheads at Rs. 12 per unit of production.
4. Selling overheads at Rs. 10 per unit sold.
5. Distribution overheads are taken at 8% of sales.

Prepare Financial Profit & Loss account, Cost Sheet & Reconciliation Statement.

Q - 5[A] Write a note on General Leger Control Account

[7]

Q - 5[B] Write a note on Costing Profit & Loss Account

[7]

OR

Q - 5 A Ltd Keeps its cost ledger by self balancing system the cost ledger shows the following balances on 31-03-2016.

Particulars	Debit Rs.	Credit Rs.
Stores Ledger Control Account	1,10,000	
Work in Progress Account	13,000	
Finished Goods Control Account	60,000	
General ledger Adjustment Account		1,83,000
Total	1,83,000	1,83,000

The following transactions took place during the year.

Stores Purchase	1,05,000
Stores issue to Production - Direct Material	75,000
Stores issue to Production - Indirect Material	15,000
Direct Wages Paid	10,000
Indirect Wages	2,000
Factory Expenses	6,000
Factory Expenses Allocated to Production	22,000
Office Overheads	6,400
Office Overheads Recovered	6,500
Finished Goods Produced	1,10,000
Sales	1,20,000
Cost of Sales	95,000

Prepare necessary Accounts in Cost Leger to record above transactions and a trial balance.