

8 APR 2019

**B.B.A. SEM 2
COST ACCOUNTING (20235)**

DATE:08/04/2019

MARKS:70

- Q1.** Meaning of Costing and objectives of Cost Accounting 14
OR
Q1. Meaning of Cost Accounting and functions of a Cost Accountant 14
Q2. Explain the cost concepts for decision making 14
OR
Q2. Explain the methods of costing 14
Q3. Prepare a Cost Sheet with Imaginary figures 14
OR
Q3. M/s. Raj Enterprise manufactures two types of pipes 'A' and 'B': Production cost for the year ended 31st March 2017 were: 14

Raw materials consumed	6,30,000
Direct wages	2,94,000
Direct expenses	1,11,000
Factory indirect expenses	1,56,000

Additional Information is as under:

- Direct material per unit for type 'A' pipe consists four times as much as that in type 'B' pipe
- Direct wages per unit for type 'B' were 60% of those for type 'A'
- Direct expenses per unit for type 'B' is Rs.3 and remaining expenses for the type 'A'
- Factory overheads per unit was same for 'A' and 'B'
- Office overheads for each type was 20% of prime cost
- Selling cost for 'A' and 'B' Rs.9 and Rs.6 respectively
- Production and sales during the year:
 Type 'A': 7,500 pipes of which 7,000 were sold
 Type 'B': 12,000 pipes of which 11,800 were sold
- Selling price per pipe for 'A' Rs.150 and for 'B' Rs.65

Prepare a Cost Sheet showing cost per pipe and total cost

- Q4.** The following figures are available from the financial accounts for the year ended 31st March 2017 of Paresh Ltd. 14

Direct material consumption	4,00,000
Direct wages	1,50,000
Factory overheads	3,50,000
Administrative overheads	4,30,000
Selling and Distribution overheads	6,40,000
Bad debts	32,000
Legal expenses	8,000
Preliminary expenses written off	10,000
Dividend received	80,000
Interest received on deposit	20,000
Sales 10,000 units	13,00,000
Closing stock of finished goods 2,500 units	2,50,000

The cost accounts reveal:

- Direct material consumption Rs.4,50,000
- Factory overheads recovered at 25% on prime cost
- Administrative overheads at Rs.40 per unit of production
- Selling and distribution overheads at Rs.60 per unit sold

Prepare:

- Cost Sheet
- Financial Profit and Loss A/c
- Statement reconciling the profit disclosed by the cost sheet and financial profit and loss A/c

OR

Q4. What is a Reconciliation Statement? Explain the reasons for disagreement in profits

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Q5. Write the specimen journal entries for cost control accounts

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OR

Q5. The cost ledger of Morphy Ltd. Showed the following balances as at 1st July 2016:

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Stores ledger account	5,250	
Work-in-Progress account	3,920	
Finished goods account	2,790	
Works overheads account		50
Administration overheads account	30	
General ledger control account		11,940
Total	11,990	11,990

Further balances resulting from the operation for the year ended 30th June 2017 were:

Stores purchases	18,000
Stores issued to production orders	19,650
Stores issued to repairs orders	750
Wages	30,750
Productive labour	29,500
Unproductive labour	1,250
Works overhead allocated to production orders	8,950
Carriage inwards	300
Works expenses	7,000
Administration expenses	900
Administration overheads allocated to production orders	920
Goods finished during the year	58,600
Finished goods sold	60,000
Sales expenses	670

Record the entries in the cost ledger accounts for the year ended 30th June 2017 and prepare a Schedule of Balances as at that date.