

(2)

**SARDAR PATEL UNIVERSITY**  
**BBA 4<sup>th</sup> Semester Examination (SYBBA-General)**  
**Cost Accounting**  
**UMO4CBBA04**  
**Monday, 17 February 2014**  
**10.30am - 12.30 pm**

**Total Pages: 04**

**Total marks: 60**

**Que.1**

**(15 Marks)**

Explain the Meaning & Advantages of Cost Accounting? How it is differ from financial accounting?

**OR**

**Que.1**

**(15 Marks)**

Explain the Objectives of Cost Accounting and Cost Classification in detail.

**Que.2 (A)**

**(09 Marks)**

A worker is allowed 9 hours to complete a job on time wage system. He completed the job in 6 hours on piece wage system. His time wage is 75 paisa per hour.

Material cost is Rs.12 and factory overheads are recovers at 150% of the direct wages.

Calculate factory cost of product under:

- (1) Piece Wage Plan
- (2) Halsey Wage Plan
- (3) Rowan Wage Plan

**Que.2 (B)**

**(06 Marks)**

Explain the difference between Time Wage System & Piece Wage System.

**OR**

**Que.2 (A)**

**(06 Marks)**

Write Note on: Economic Order Quantity

**Que.2 (B)**

**(09 Marks)**

Determine various inventory levels from followings:

Ordering Quantity - 3600 Units

Reorder Period - 3 to 5 weeks

Maximum Consumption - 900 units per week

Minimum Consumption - 300 Units per week

Normal Consumption - 600 units per week

**Que.3****(15 Marks)**

In the factory of Yash Ltd. there are three production department A, B and C and two service department D and E. The details of the expenses during March 2009 are as under.

Power	36,000
Depreciation of Machine	29,700
Rent	20,000

Particular	A	B	C	D	E
Cost of machine (Rs.)	72,000	48,000	36,000	1,200	1,200
Horse power of machine	4	6	2	-	-
Space occupied sq. ft.	600	400	500	300	200

The benefit of service department D and E is derived by the other departments in the following proportion.

Department	A	B	C	D	E
D	20%	30%	40%	-	10%
E	30%	40%	30%	-	-

Prepare as statement showing:

- (1) Distribution of overhead to various departments.
- (2) Distribution of expenses of service department to production departments as per repeated redistribution method.

**OR****Que.3 (A)****(07Marks)**

In a manufacturing firm, there are three production and two service departments, overheads and the percentage of benefit derived of service departments are given below;

Particulars	Production department			Service department	
	A	B	C	D	E
Total over heads	30,000	20,000	15,000	4,000	3,000
Benefit from dept. X	40%	20%	30%	-	10%
Benefit from dept. Y	30%	20%	30%	20%	-

Distribute overheads of service departments among production departments by using repeated distribution method.

**Que.3 (B)****(08Marks)**

The following expenses have been incurred from a shop.

Rent	Rs. 6,000 p.a.
Power consumption @ Rs.0.10 per unit	Rs. 4,800 p.a.
Repairs	Rs. 960 p.a.
Lighting of shop	Rs. 800 p.a.
Supervisor's salary	Rs. 600 p.m.
Lubricants	Rs. 100 p.a.
Depreciation	Rs. 600 p.a.
Hire-purchase installment	Rs. 1,200
(Including interest of Rs.300)	

Machine consumes 10 units of power per hour. Calculate Machine Hour Rate.

(15 Marks)

**Que.4**

Yogesh Co. provides following information about his production cost per unit:

Material consumed	30.00
Wages	20.00
Factory overhead expenses 25% of prime cost	
Office overhead expenses	6.00
Selling and distribution expenses	2.50

Profit and Loss Account as per Financial Account is as per under:

**Dr.****Cr.**

Particulars	Rs.	Particulars	Rs.
To Opening stock of finished Goods (5,000 units)	3,50,000	By Sales	38,80,000
To Material expenses	15,00,000	By Closing stock of finished goods (6,500 units)	4,50,750
To Wages expenses	10,00,000	By Bank interest	15,000
To Factory expenses	6,40,000	By Income tax refund	8,000
To Office expenses	3,25,000		
To Selling expenses	1,15,250		
To Penalty	15,000		
To Written of preliminary Expenses	3,000		
To Income tax provision	35,000		
To Net profit	3,70,500		
	<u>43,53,750</u>		<u>43,53,750</u>

You are required to prepare a statement of cost, Reconciliation statement of both the profit.

**OR**

**Que.4****(15 Marks)**Profit and Loss Account of Jay Co., Ltd. ended on 31<sup>st</sup> March 2012 was as under:

<u>Particulars</u>	<u>Debit Rs.</u>	<u>Particulars</u>	<u>Credit Rs.</u>
Materials consumed	1,37,000	Sales (6000 units)	3,00,000
Wages	75,500	Closing stock of finished Goods(500 Units)	8,000
Factory expenses	41,500		
Office expenses	19,120		
Selling expenses	22,500		
Expenses written off:			
Goodwill	2,000		
Pre.expenses	1,000	Rent received	6,900
Net profit	16,280		
	<u>3,14,900</u>		<u>3,14,900</u>

In cost accounts of company: Factory expenses 20 percent on prime cost, office expenses at the rate of Rs.0-60 per unit produced and selling expenses at the rate of Rs.0-80 per unit sold are recovered.

Find out profit by preparing cost sheet and prepare reconciliation statement to compare it with profit as per financial accounts.

- x -