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**III Semester B.B.A. (Regular), B.B.A. (Aviation Management) and
B.B.A. (Bus. Analysis) Degree Examination, December/January - 2025/26**

**BUSINESS ADMINISTRATION
Fundamentals of Cost Accounting
(SEP Scheme)**

Time : 3 Hours**Maximum Marks : 80****Instructions to Candidates:****Answers should be written in English only.****SECTION - A****Answer any Five questions. Each question carries 2 marks.****(5×2=10)**

1. a) Define Costing
b) What are direct cost?
c) What is Time Keeping?
d) What do you mean by overheads?
e) State any two objectives of cost accounting.
f) What is Semi - Variable cost?
g) What is Bin Card?
h) Find out EOQ from the following. Annual consumption 8,000 units, cost of material per unit Rs. 4, cost of placing order Rs. 10 per order, Inventory Carrying charges 16%.

SECTION - B**Answer any Four questions. Each question carries 5 marks.****(4×5=20)**

2. Write any five differences between cost accounting and Financial accounting.
3. Calculate a) Reorder level b) Minimum level c) maximum level
from the following

Reorder quantity - 3,000 units

Normal consumption - 500 units

Minimum consumption - 250 units

Maximum consumption - 750 units

Re-order period - 2 to 4 weeks.

[P.T.O.]



4. Calculate total monthly remuneration of 3 workers A, B & C from the following data
- Actual production during the month A - 400 units, B - 370 units, C - 450 units.
 - Piece work rate Rs. 30 per unit of actual production.
 - DA Rs. 1,000 per month (fixed)
 - HRA Rs. 500 per month (fixed)
5. A factory produces a standard product. The following information are given to you from which you are required to prepare a cost sheet for March 2025.
- Raw-materials consumed Rs. 2,90,000 Direct wages 1,20,000 Rs., other direct expenses Rs. 80,000, Factory overheads 80% of direct wages, office overheads 10% of works cost, selling and distribution expenses Rs. 20 per unit sold, units produced and sold during the month 10,000.
- Find out the selling price per unit when the profit earned is 20%.
6. Compute the machine hour rate from the following.
- Cost of machine - Rs. 10,000
 - Estimated life 10 years
 - Scrap value - Rs. 1,000
 - Yearly working time. [50 weeks of 44 hrs each) 2200 hrs.
 - Machine maintenance 200 hrs p.a.
 - Setting up time estimated at 5% of total productive time.
 - Electricity 16 units per hour @ Rs. 0.10 per unit
 - Chemicals required weekly Rs. 20
 - Maintenance cost per year Rs. 1,200
- You are required to calculate machine Hour Rate.
7. Classify the following expenses into factory overhead, office and administration overhead, selling and distribution overhead.
- Power and fuel
 - Counting house expenses
 - Salesmen Salary
 - Freight outwards
 - Insurance of stock

SECTION - C

Answer any Three questions. Each question carries 15 marks. (3×15=45)

8. Following particulars available from the cost records of Ravi Ltd., for the month of March 2024.
- | | | |
|-----|---|--|
| 1/3 | - | Opening balance 50 units at Rs. 6.5 per unit |
| 4/3 | - | Issued 8 units |
| 6/3 | - | Received 50 units at Rs. 5.75 per unit |



- 7/3 - Issued 12 units
- 10/3 - Returned to Vendor 10 units
- 12/3 - Issued 15 units
- 13/3 - Issued 20 units
- 15/3 - Received 25 units @ Rs. 6.10 per unit
- 17/3 - Issued 10 units
- 19/3 - Received replacement 10 units
- 20/3 - Returned to stores 5 units
- 26/3 - Issued 10 units

Prepare stores ledger under FIFO method.

9. The details of a Job performed by two workers Mr. X and Mr. Y are as under. You are required to calculate total earnings of each worker under Halsey plan and Rowan plan and effective rate of earnings per hour.

- a) Standard time - 30 hours
- b) Hourly rate - Rs. 18
- c) Actual time taken - Mr. X - 30 hrs
Mr. Y - 20 hrs

10. The following particulars relate to a manufacturing Company which has 3 production departments A, B and C and 2 service departments x and y

Particulars	A	B	C	X	Y
Total overheads as per primary distribution	6,300	7,400	2,800	4,500	2,000

The company decided to charge the service department cost on the basis of the following percentages :

	A	B	C	X	Y
Service Department X	40%	30%	20%	-	10%
Service Department Y	30%	30%	20%	20%	-

Find out the total overhead of production department charging service department's cost to production on the basis of Simultaneous equation method and Repeated distribution method.

11. Following are the receipts and issues of a raw-material in Indra Ltd., during April 2024

- 1/4 - Opening balance 1,000 units @ Rs. 50 per unit
- 3/4 - Issued 140 units
- 4/4 - Issued 200 units



- 8/4 - Issued 160 units
- 13/4 - Received 400 units @ Rs. 48 per unit
- 16/4 - Issued 360 units
- 18/4 - Return of Surplus from work order 30 units @ Rs. 48 per unit
- 20/4 - Received 480 units @ Rs. 52 per unit
- 24/4 - Issued 608 units
- 25/4 - Received 640 units @ Rs 50 per unit
- 26/4 - Issued 524 units
- 28/4 - Refund of surplus from a work order 24 units (issued on 3rd April)
- 30/4 - Received 200 units @ Rs. 54 per unit You are required to record the above transaction in stores ledger pricing the issues under.

Weighted Average Method.

12. In respect of a factory, the following figures have been obtained for the year 2024.

Materials - Rs. 12,00,000

Direct wages - Rs. 10,00,000

Factor overheads - Rs. 6,00,000

Administration over heads - Rs. 6,72,000

Selling overheads - Rs. 4,48,000

Distribution overheads - Rs. 2,80,000

Profit - Rs. 8,40,000

A work order is to be executed in the year 2025, which require. Rs. 16,000 towards materials and Rs. 10,000 towards wages.

Determine the price at which the work order should be accepted. So as to earn the same rate of profit on selling price as in 2024.

SECTION - D

Answer the following question carries 5 marks.

(1×5=5)

13. Mention the causes of labour turnover in manufacturing organisations.