

Paper Code : 21229
F-229

B. B. A. (Fifth Semester)
EXAMINATION, 2016
(New Course)

Paper No. BBA-N—504

COST AND MANAGEMENT ACCOUNTING

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt five questions in all. One question from each Unit is compulsory. All questions carry equal marks.

Unit—I

1. Explain the nature and scope of Cost Accounting.

Or

2. How Cost Accounting System may be installed in a manufacturing organization ?

Unit—II

3. From the following particulars, compute MHR for one machine. There are five identical machines in the shop. The expenses of the shop for one year are available. Rent and rates ₹ 4,000. Power at 6-1/4 paise per unit ₹ 3,750. Repairs for machines ₹ 1,000. Lighting for the

shop ₹ 500. Attendants's salary : 2 attendants each paid ₹ 50 per month. Supervisor's salary ₹ 300 per month. Lubricants ₹ 100 each. Each machine consumes 10 units of power per hour. Depreciation on each machine ₹ 600.

Or

4. Differentiate between allocation and apportionment. What are different bases of apportionment?

Unit—III

5. Form the following data relating to two different vehicles A and B, compute the cost per running kilometre :

	A (₹)	B (₹)
Cost of vehicle	25,000	15,000
Road licence (Annual)	750	750
Insurance (Annual)	700	400
Garage rent (Annual)	600	—
Salaries (Annual)	1,200	1,200
Driver's wages per hour	3	3
Cost of petrol per litre	20	20
Repairs per km.	1.65	2.00
Type allocation per km.	0.80	0.60
Life of vehicles (kilometres)	1,00,000	75,000
Kilometre run (annual)	15,000	6,000
Kilometre run per litre	20	15

Charge interest at 5% p. a. on cost of vehicles. The vehicle run 20 km per hour on an average.

Or

6. From the following particulars, prepare Cost Sheet and show the cost and profit per 1000 plastic toys, manufactured by Tip Top Toy manufactures, Ltd., during the year 2015 :

Materials :

Basic raw materials—1,400 tonnes at ₹ 5 per tonne.

Stores—₹ 5,000.

Labour :

Direct—₹ 16,000.

Indirect—₹ 3,000.

Overheads :

Works—25% of direct labour.

Administration—10% of works cost.

Production for the year—1,00,000 toys.

Stock, 1st January, 2015—2,00,000 toys.

Stock, 31st Dec., 2015—3,00,000 toys.

Sales for the year—9,00,000 toys.

Selling price—₹ 50 per 1,000 toys.

The company wants to quote for a tender for the supply of 2,00,000 toys. Calculate the quotation amount taking into account the expected increase in the material cost by 10% and the increase in wages by 5%. The quotation should fetch a 20% profit on sales. The other expenses remain constant per unit.

Unit—IV

7. Reliance Construction Company Ltd. has undertaken the construction of a bridge for a value of ₹ 45,00,000 subject to a retention of 25% until one year after the certified completion of the contract. The following information is available for the year ended 31st March, 2015 :

	₹
Labour on site	11,55,000
Materials sent to site	12,30,000
Materials from stores	2,35,500
Hire and use of Plant/Plant Upkeep A/c	34,800
Direct expenses	63,000
General overheads allocated to the contract	1,18,200
Materials in hand, 31-3-2015	22,800
Wages accrued on 31-3-2015	28,800
Direct expenses accrued on 31-3-2015	5,100
Work not yet certified at cost	43,500
Value of work certified	39,00,000
Cash received on account	31,20,000

Required :

- Contract Account
- Contractor's Account, and
- Balance Sheet

Or

8. A factory is engaged in the production of a chemical BOMEX and in the course of its manufacture, a by-product BRUCIL is produced, which after further processing has a commercial value. For the month of April, 1990, the following are the summarized cost data :

	Joint Expenses (₹)	Separate Expenses	
		BOMEX (₹)	BRUCIL (₹)
Materials	1,00,000	6,000	4,000
Labour	50,000	20,000	18,000
Overheads	30,000	10,000	6,000
Selling price per unit		90	34
Estimated profit per unit on sale of Brucil ₹ 4			
		Units	Units
No. of units produced		2,000	2,000

The factory uses reverse cost method of accounting for by-products whereby the sales value of by-products after deduction of the estimated profit, post-separation costs and selling and distribution expenses relating to the by-products is credited to the joint process cost account.

You are required to prepare statements showing :

- The joint cost allocable to BOMEX.
- The product wise and overall profitability of the factory for April, 1990.

Unit—V

9. Explain the relationship between Financial Accounting and Cost Accounting.

Or

10. Differentiate between Absorption Costing and Marginal Costing.