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Paper Code : 21229

F-229

**B.B.A. (Vth Semester)
Examination, 2019-20**

(New Course)

COST AND MANAGEMENT ACCOUNTING

Paper-BBA-N-504

Time : 3 Hours]

[Maximum Marks : 70

Note :- Attempt five questions in all, selecting one question from each Unit. All questions carry equal marks.

Unit-I

1. What do you understand by Cost Accounting ? How does it differ from Financial Accounting ?
2. What do you understand by classification of cost ? Explain in detail.

Unit-II

3. A machine costing ₹ 1,05,000 and has a life of 10 years is expected to yield a scrap value of ₹ 5,000.

SE-195

(1)

Turn Over

The normal working hours p.a. are 2,000 inclusive of 10% for preventive maintenance. The following expenses are available for the machine :

	₹
Rent	3,600 p.a.
Light	150 p.m.
Power at 10 paise P.U.	1,000 p.m.
Supplies	2,000 p.a.
Repairs	3,600 p.a.
Wages of the operator	5 p.h.
Supervision	1,000 p.m.

Ascertain the comprehensive machine hour rate. If the machine is idle for want of materials for 20 hours, how much is the loss ?

4. What do you understand by material control ? Why is it considered as an important part in cost accounting system ?

SE-195

(2)

Unit-III

5. From the following particulars prepare a cost sheet showing cost and profit per 1,000 bricks.

	₹
Wages	15,000
Royalty	7,500
Coal	45,000
Depreciation	3,000
Factory overheads 40% of wages	
Office overheads 10% of wages	
Bricks made 10,00,000	
(8,00,000 bricks are sold @ ₹ 100 per 1,000 bricks)	
(Stock of bricks on 1-4-2016)	1,00,000
(Stock of bricks on 31-3-2017)	3,00,000

6. Ashoka transport company is running 4 buses between two towns. Sitting capacity of each bus is 40 passengers. The following particulars were obtained from their books for April, 2017 :

Wages of drivers, conductors and cleaners	10,000
Salary of office and supervisory staff	10,000
Diesel and petrol etc.	22,000
Repairs and maintenance	4,000

Taxation, insurance etc.	10,000
Depreciation	11,000
Interest and other charges	5,000

Actual passengers carried were 80% of the sitting capacity. All four buses run on all day of the month. Each bus made one round trip per day. Find out the cost per passenger km.

Unit-IV

7. The production of a factory passes through three processes—A, B and C. The production of every process is transferred to the next process. From the following information ascertain the cost P.U. at each process :

	Process		
	A	B	C
Material and wages	19,200	36,000	85,500
Factory on cost	16,800	15,750	18,000
General on cost	9,000	12,000	15,000
	Units		
Production	7,200	7,500	9,600
Opening stock	—	800	3,300
Closing stock	—	200	1,100

Unit-V

8. Suresh Ltd. took a contract for ₹ 6,00,000 and work was started on 1st June, 2006 on it. The following particulars are available regarding the contract upto 31 March, 2007 :

Expenditures :

Materials	1,50,000
Wages	2,80,000
General Expenses	1,00,000
Plant despatched	20,000

Accrued expenses :

Wages	15,000
General expenses	8,000

Other particulars :

Materials on site	10,000
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Cash received :

Being 80% of work certified	3,60,000
Cost of work uncertified	40,000

Depreciation on plant is to be charged @ 2% p.m.
Prepare contract account and show profit or loss on it.

9. Describe the principal functions of management accounting and show how does it help in solving managerial problems in key areas of business.

10. R.K. Industries Ltd. purchases 12,000 units p.a. of a spare part from another manufacturer @ ₹ 4 per unit. The production manager has put forward a proposal that the production of this spare part may be undertaken by the company in order to have full control over the supply of the spare part. He has submitted the following information along with the proposal : <http://www.mjpruonline.com>

- Material and labour would cost ₹ 0.60 and ₹ 0.50 respectively per unit.
- Variable overhead will be 100% of labour.
- A foreman will be employed at ₹ 1,000 p.m.
- Machine needed, would cost ₹ 50,000. It will have a production capacity of 15,000 units and its economic life will be 5 years.

- (v) Funds need for the above (iv) can be obtained at an interest rate of 10% p.a.

You are required to advise the management about the proposal.

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