

E 3766



Reg. No.....

Name.....

B.B.A./B.B.M. DEGREE (C.B.C.S.S.) EXAMINATION, NOVEMBER 2022

Fourth Semester

Common Core Course—COST ACCOUNTING

(Common for B.B.A. and B.B.M.)

[2013—2016 Admissions]

Time : Three Hours

Maximum Marks : 80

Part A (Short Answer Questions)

*Answer all questions.
Each question carries 1 mark.*

1. What do you mean by Cost Accounting ?
2. What is P/V ratio ?
3. What do you mean by prime cost plus variable overhead ?
4. What is job costing ?
5. Which of the cost are ascertained after they have been incurred ?
6. What is angle of incidence ?
7. Describe any two limitation of standard costing.
8. From the following calculate the amount of contribution and profit :
Sales—Rs. 8,000
Variable overhead—Rs. 4,00,000
Fixed cost—Rs. 2,00,000.
9. What is break-even chart ?
10. What is margin of safety ?

(10 × 1 = 10)

Part B (Brief Answer Questions)

*Answer any eight questions.
Each question carries 2 marks.*

11. The standard quantity and standard price of raw material required for one unit of product A are given as follows :

	Qty (kg.)	S.P. (₹)
Material x ...	2	3
Material y ...	4	2

Turn over





The actual production and relevant data are as follows :

Material X 1100 kgs. at Rs. 3,410

Material Y 1800 kgs. at Rs. 3,960

Calculate variance material price variance and material cost variance. Actual production was 500 units.

12. From the following figures you are required to calculate (i) P/V ratio ; (ii) Break-even sales ; (iii) Margin of safety ; (iv) Profit :

Sales—Rs. 4,00,000

Variabe cost—Rs. 2,00,000

Fixed cost—Rs. 1,60,000

13. What are the techniques of costing ?
14. What are the main advantages of management accounting ?
15. What is the difference between Cost Accounting and Financial Accounting ?
16. Marginal costing is a very useful technique to management for cost control. Profit planning and decision-making. Explain.
17. What do you mean by ABC Analysis ?
18. What is stores control ?
19. Calculate the EOQ from the following information. Also state the number of orders to be placed in a year :

Consumption of materials per annum—10,000 kg.

Order placing cost per order—Rs. 50

Cost per kg. of raw materials—Rs. 2

Storage cost—8 % on average inventory.

20. What is maximum level ?
21. What are the reasons for difference in profits of cost and financial accounts ?
22. What is indifference point ?

(8 × 2 = 16)

Part C (Brief Answer Questions)

*Answer any six questions.
Each question carries 4 marks.*

23. The operating results of a company for the last two years are as follows :

Year	Sales	Total Cost
2018 ...	2,70,000	2,64,000
2019 ...	3,00,000	2,85,000





Calculate :

- (i) P/V ratio.
- (ii) Fixed cost.
- (iii) Break-even point.
- (iv) Variable cost during two periods.
- (v) Margin of safety at a profit of Rs. 24,000.

24. Find out EOQ from the following :—

Annual wage—6000 units
Cost of material per unit—Rs. 20
Cost of placing and receiving one order—Rs. 60
Annual carrying cost of one unit—10 % of inventory value.

25. What is EOQ ? How is calculated ?

26. Distinguish between Time Wage System and Piece Wage System.

27. What is cost sheet ? Give proforma of cost sheet.

28. Calculate the maximum level, minimum level, reorder level and average level from the following :

Reorder quantity—1500 units
Reorder period—4 to 6 weeks
Maximum consumption—400 units per week
Minimum consumption—250 units per week
Normal consumption—300 units per week.

29. Sales—Rs. 2,00,000

Profit—Rs. 20,000

Variable cost—70 %

Find out :

- (i) P/V ratio.
- (ii) Fixed cost.
- (iii) Sales volume to earn a profit of Rs. 80,000.

30. From the following information, calculate labour variance :

Standard hours—40 hours at Rs. 4 per hour

Actual hours—50 hours at Rs. 5 per hour

Turn over





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31. The standard quality of material required to produce one unit of product x is 10 kg. and the standard price per kg. of material is Rs. 3. The costing records shows that 11000 kg. of material costing Rs. 30,800, were used for manufacturing 1000 units of product x . Calculate material variance.

(6 × 4 = 24)

Part D (Long Essays)

*Answer any two questions.
Each question carries 15 marks.*

32. Find the P/V ratio, BEP and margin of safety.

Calculate the revised P/V ratio BEP and margin of safety in each of the following cases :

- (a) Decrease of 10 % in selling price.
 - (b) Increase of 10 % in variable costs.
 - (c) Increase of sales volume by 2000 units.
 - (d) Increase of Rs. 6,000 in Fixed costs.
33. What are the advantages and disadvantages of standard costing.
34. From the following particulars prepare a Cost Sheet for the month of March 2020 :

Stock on hand 1st March	Rs.
Raw materials	... 26,000
Finished goods	... 18,300
Work in progress	... 9,200
Stock on 31st March	Rs.
Raw materials	... 27,200
Finished goods	... 16,800
Work in progress	... 10,100
Purchase of raw materials	... 23,000
Carrige on purchase	... 1,500
Direct wages	... 18,500
Indirect wages	... 1,000
Sale of finished goods	... 76,000
Chargeable expenses	... 2,200
Factory overhead	... 9,500
Administration overhead	... 4,000
Selling and distribution overhead	... 5,200

35. What is centralised purchasing ? What are the disadvantages of centralised purchasing ?

(2 × 15 = 30)

