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Reg. No.....

Name.....

B.B.A./B.B.M. DEGREE (C.B.C.S.S.) EXAMINATION, MAY 2024

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

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

1. What do you mean by cost control ?
2. Give the meaning of minimum level.
3. Define standard costing.
4. What is material price variance ?
5. Define marginal costing.
6. What is margin of safety ?
7. What is production overhead ?
8. What is angle of incidence ?
9. What is material price variance ?
10. What is ABC analysis ?

(10 × 1 = 10)

Part B

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

11. What is FIFO method ?
12. What is Bin card ?
13. What is P/V ratio ?
14. Mention any two limitations of standard costing.
15. Explain the mechanical methods of time keeping.

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16. What is operating cost ?
17. What is contribution ?
18. Determine the amount of fixed cost from the following :—

Rs.		
Sales	...	10,00,000
Variable cost	...	6,00,000
Profit	...	1,50,000

19. What you mean by allocation of overhead ?
20. What is EOQ ?
21. From the following calculate the amount of contribution and profit :—

Rs.		
Sales	...	8,00,000
Variable cost	...	4,00,000
Fixed cost	...	2,00,000

22. Distinguish between Time wage system and Piece wage system.

(8 × 2 = 16)

Part C

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

23. What are the features of ideal wage plan ?
24. Find out EOQ from the following particulars :
Annual wage—6000 units
Cost of material per unit—Rs. 20
Cost of placing and receiving one order—Rs. 60
Annual carrying cost one unit—10 % of inventory value.

25. From the following data, calculate :
(i) P/V ratio.
(ii) Breakeven point.
(iii) Sales to earn a profit of Rs. 1,20,000 :

Rs.		
Sales	...	6,00,000
Variable cost	...	3,75,000
Fixed cost	...	1,80,000





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26. What is a cost sheet ? Give a proforma of cost sheet.
27. 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.
28. 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 11,000 kg. of material costing Rs. 30,800 were used for manufacturing 1000 units of product x . Calculate material variance.
29. What is labour turnover ? Explain the causes of labour turnover.
30. 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 profit of Rs. 80,000.
31. Distinguish between Time wage system and Piece wage system.

(6 × 4 = 24)

Part D

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

32. What are the advantages and disadvantages of standard costing ?
33. Distinguish between Direct cost and Indirect cost.
34. From the following prepare a stores ledger *a/c* using FIFO method :
- 2021
- | | | |
|---------|----|--|
| January | 1 | Opening stock—500 units at Rs. 12 each |
| | 2 | Purchased—300 units at Rs. 13 each |
| | 5 | Issued—500 units |
| | 10 | Purchased—1000 units at Rs. 15 each |
| | 15 | Issued—500 units |
| | 20 | Issued—200 units |
| | 25 | Purchased—600 units at Rs. 16 each |
| | 27 | Issued—500 units |

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35. The following set of information is presented to you by your client Bee Ltd. producing two products x and y :

	x	y
Direct material cost per unit ...	20	18
Direct wages per unit ...	6	4
Selling price per unit ...	40	30

Proposed sales mix :

- (i) 100 units of x and 200 units of y .
- (ii) 150 units of x and 150 units of y .
- (iii) 200 units of x and 1000 units of y .

As a cost accountant you are required to present to the management of Bee Ltd. the following :—

- (a) Marginal cost and contribution per unit.
- (b) Total contribution and profit from each of the above sales mixes.
- (c) The proposed sales mixes to each a profit of Rs. 300 and Rs. 600 with the total sales of x and y being 300 units.

(2 × 15 = 30)

