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Seat No.	
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[4967]-2004

**B.B.A. (Second Semester) EXAMINATION, 2016**

**BASICS OF COST ACCOUNTING**

**(2013 PATTERN)**

**Time : Three Hours**

**Maximum Marks : 80**

**N.B. :—** (i) *All* questions are compulsory.

(ii) Figures to the right indicate full marks.

(iii) Use of calculator is allowed.

1. (A) Fill in the blanks : [5]

(a) Cost Audit is the part of .....

(b) ..... cost is also known as service costing.

(c) Any loss in excess of the estimated loss is known as .....

(d) The technique of ascertaining cost is called .....

(e) Material consumed is the result of opening stock of material add purchases less .....

(B) State whether the following statements are *true* or *false* :[5]

(a) Profit on every contract is computed only when the contract is complete.

P.T.O.

- (b) In the case of job costing each job is considered to be a distinct cost unit
- (c) Cotton waste used in factory workshop is the example of indirect material.
- (d) Cost Accounting is historic in nature.
- (e) Cost Accounting can replace financial accounting.

2. Define Cost Accounting. Explain merits and demerits of Cost Accounting. [15]

*Or*

What is meant by overheads ? Explain the classification of overheads. [15]

3. Write short notes on (any *three*) : [15]

- (a) Cost audit
- (b) Allocation of Overheads
- (c) Limitations of Financial Accounting
- (d) Service Costing
- (e) Elements of Cost.

4. Prepare a statement of cost from the following information relations to Cotton Textiles Ltd. Mumbai, for the year ended 31st March 2013 : [16]

<b>Particulars</b>	<b>Rs.</b>
Cost of Direct Materials	2,00,000

Sales	4,00,000
Direct wages	1,00,000
Office indirect materials	5,000
Cost of special patterns	40,000
Postage and telegram	2,000
Bad debts recovered	250
Factory rent and Insurance	5,000
Outstanding chargeable expenses	2,000
Carriage outward	2,500
Interest on loan	2,150
Printing and stationery	500
Factory indirect wages	3,000
Selling on cost	4,000
Travelling Salesman's Salary	4,000
Works indirect material	1,000
Royalties	8,000
General works overheads	2,000
Bad debt written-off	1,000

Also calculate the percentage of profit earned to sales.

5. (A) The following balance have been extracted from the books of Shanti Constructions, Surat on 31st March, 2013 : [12]

<b>Particulars</b>	<b>Rs.</b>
Contract price	6,00,000
Plant and machinery as on 1st April 2012	30,000
Materials	1,70,000
Labour charges	1,48,000
Engineer's fees	6,330
Outstanding wages	5,380
Uncertified work	12,000
Overhead Expenses	8,240
Material returned to stores	1,600
Material on hand at site	3,700
Plant and machinery on hand at site	22,000
On 31st March 2013	
Value of work certified	3,90,000
Cash received	3,51,000

Prepare contract account for the year ended 31st March, 2013 showing separately the amount of profit that may be taken to the credit of profit and loss account. Also calculate the amount of work-in-progress as it would appear in the balance sheet as on 31st March 2010.

- (B) The product of Bright Ltd. Baroda process through two processes viz A and B. It is ascertained that in each process 10% of the total weight is lost and 20% is scrap. The realisation from scrap account to Rs. 160 per ton and Rs. 400 per ton from process A and process B respectively. The cost figures relations to processes are as follows : [12]

<b>Particulars</b>	<b>Process 'A'</b>	<b>Process 'B'</b>
	Rs.	Rs.
Material consumed in Tons	2,000	140
Cost of material per ton	250	400
Direct wages	36,000	24,000
Chargeable expenses	11,000	2,960

Prepare Process Account showing the cost per ton of output in each process.

*Or*

From the following data relating to the vehicle of Ghatge Patil Transport Co., Pune, calculate the cost per running kilometer : [12]

<b>Particulars</b>	<b>Amount</b>
	(Rs.)
Cost of vehicle	2,00,000
Road Licence fees (annual)	10,200
Garage rent (annual)	9,600
Insurance charges (annual)	4,200
Supervision and salary (annual)	24,000

Driver's wages per hour	4.00
Cost of diesel per litre	8.00
Repair and maintenance per km	4.40
Tyres and batteries per km	3.60
Kilometers run per litre 20 km	
Kilometers run annually 20,000 km	
Estimated life of the vehicle 2,00,000 km	

You are required to charge interest on cost of vehicle @ 10% p.a. The vehicle runs 20 km per hour on an average.