D4BBA2101 (PAGES 3) Reg.No.....

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Name: .....

FOURTH SEMESTER UG DEGREE EXAMINATION, APRIL 2023

(Regular/Improvement/Supplementary)

BBA

GBBA4B06T: COST AND MANAGEMENT ACCOUNTING

Time: 2 ½ Hours **Maximum Marks: 80**

SECTION A: Answer the following questions. Each carries *two* marks

(Ceiling 25 Marks)

1. What is meant by marginal costing?
2. What is lead time?
3. How will you calculate the issue price under the simple average price method?
4. Who are out workers?
5. What is accelerated premium plan?
6. Give an account on works overhead.
7. What is secondary distribution of overheads?
8. In what type of concerns job costing is applicable?
9. How is abnormal gain valued?
10. Define process costing.
11. What is budget centre?
12. Define angle of incidence.
13. What is muster roll?
14. Give marginal cost equation.
15. What are shut down costs?

SECTION B: Answer the following questions. Each carries *five* marks

(Ceiling 35 Marks)

16. "Cost accounting is an aid to management". Discuss the main points in support of this statement.
17. What is idle time? How is the cost of idle time treated in cost accounts?
18. A worker produced 200 units in a week's time. The guaranteed weekly wage payment for 45 hours is Rs.81. The expected time to produce one unit is 15 minutes, raised further by 20% under the incentive scheme. What will be the earnings per hour of that worker under Halsey (50% sharing) and Rowan bonus schemes?
19. In a process, 150 units were introduced at a cost of Rs.2616. Additional expenses were Rs.404. 20% of units introduced are normally scrapped and sold at Rs.4 each. The actual output was 140 units. Find out the abnormal loss/gain.
20. From the following data,

    Sales Rs. 15000 Variable cost Rs. 9000 Fixed Cost Rs. 4500

    Calculate:

    i) P/V Ratio

    ii) Profit when sales are Rs.20000 and

    iii) New break-even point if the selling price is reduced by 20%

(PTO)

21. With the following data for the production of 70% activity, prepare a flexible budget for the production at 90% and 100% activity.

Production at 70% = 75000 units
Material Rs.110 per unit
Labour Rs.45 per unit
Expenses Rs.5 per unit
Factory expenses Rs.50000 (40% fixed). Administration expenses Rs.30000 (50% fixed)

22. Prepare a suitable break-even chart from the following:

Units produced = 60000
Selling price per unit = 12
Variable cost per unit = 8
Fixed cost = 150000

23. Calculate EOQ from the following?

Annual usage : 100000 units
Buying cost per order : Rs.15
Cost of carrying inventory :10% of cost
Cost per unit : Rs.60

SECTION C: Answer any *two* questions. Each carries *ten* marks.

24. From the following particulars prepare a monthly cash budget for the quarter ended 31st March 2021.

Month	Sales (Rs)	Purchase (Rs)	Wages (Rs)	Expenses (Rs)
November 2020	50000	10000	20000	4000
December 2020	60000	20000	20000	4000
January 2021	40000	30000	22000	5000
February 2021	50000	20000	22000	5000
March 2021	60000	10000	24000	5000

Other informations:-

1) 10% of sales and purchases are on cash.
2) Credit to debtors- 1 month. On an average, 50% of debtors make payment on the due date while the rest will make payment one month thereafter.
3) Credit from creditors-2 months. 10% cash discount will be received if payment is made within 1 month and is estimated that 50% of purchases advantage of cash discount will be taken.
4) Wages to be paid twice in a month on 1st and 16th respectively.
5) Expenses are generally paid within the month.
6) Plant costing Rs.10000 will be installed in February on payment of 20% of the cost in addition to the installation cost of Rs.500.Balance to be paid in three equal monthly instalments from the following month.
7) Opening cash balance Rs.20000.

25. A company has three production departments and two service departments. Following details relating to overheads analyzed to production and service departments is made available to you.

Production department	**Service department**
X 48,000	P 14,040
Y 42,000	Q 18,000
Z 30,000	

The expenses of the service department are apportioned as follows:

	X	Y	Z	P	Q
Service department P	20%	40%	30%		10%
Service department Q	40%	20%	20%	20%	

You are required to allocate the service department costs over the production departments using the simultaneous equation method.

26. Calculate the machine hour rate for Machine No. 101 from the particulars given below. The department had five machines of similar type and value:

(a) Rent of the department – Rs.4805 per annum.

(b) Depreciation on each machine – Rs.500 per annum.

(c) Repairs and maintenance of the department – Rs. 1,000 per annum.

(d) Light charges of the department – Rs.540 per annum.

(e) Attendants -two attendants in the department and each paid Rs.60 per month.

(f) One supervisor in the department who is paid at Rs.250 per month.

(g) Cotton waste and lubricants for the departments – Rs.495 per annum.

(h) Hire purchase instalment payable for machines – Rs.1200 per annum (including Rs. 300 as interest).

(i) Each machine consumes 10 units of power per hour at Rs.1 for 15 units.

(j) Each machine will work 1200 hours per annum.

27. Define Process costing. State the procedure of process costing and discuss its advantages and disadvantages.

(2 × 10 = 20 Marks)