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B. B. A. (Semester - II) Examination - 2009

BASICS OF COST ACCOUNTING

(2008 Pattern)

Time : 3 Hours]

[Max. Marks : 80

Instructions :

- (1) All questions are compulsory.*
 - (2) Figures to the right indicate full marks.*
 - (3) Use of calculator is allowed.*
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Q.1) (A) Fill in the blanks : [05]

- (a) _____ ascertainment is the main function of Cost Accounting.
- (b) Material Cost, Labour Cost and Expenses are the _____ of Cost.
- (c) Advance Payment by Contractee is an agreed percentage of _____.
- (d) _____ Costing is a Form of Operations Costing.
- (e) Fixed Cost + Profit = _____.

(B) State whether the following statements are **true or **false** : [05]**

- (a) Cost Accounting provides information for ascertaining financial position of business.
- (b) Input Costs are Historical Costs.
- (c) Operating Costing is also known as Service Costing.
- (d) Job Costing is a Specific Order Costing Method.
- (e) Marginal Costing is a method of Costing.

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Q.2) Define Cost Accounting. How is Cost Accounting different from Financial Accounting ? [15]

OR

Q.2) Briefly explain advantages and limitations of Cost Accounting. [15]

Q.3) Write short notes : (Any Three) [15]

- (a) Cost Centre
- (b) Job Costing
- (c) Classification of Cost
- (d) Abnormal Loss
- (e) Work Certified and Work Uncertified

Q.4) The following figures have been taken from the cost records of a company for the year 2008-2009 :

Rs.

Stock on 1-4-2008 :

– Raw Materials	2,80,000
– Work-in-Progress	63,000
– Finished Good	1,84,000

Stock on 31-3-2009 :

– Raw Materials	2,64,000
– Work-in-Progress	83,000
– Finished Goods	2,05,000

Purchases of Raw Materials 2,54,000

Direct Wages 1,21,000

Indirect Wages 16,000

Power 1,03,000

Sale of Finished Goods 8,00,000

Office and Administrative Expenses	45,000
Selling and Distribution Expenses	83,000
Direct Expenses	1,02,000

Prepare a Cost Sheet showing :

- (a) Prime Cost
- (b) Factory Cost
- (c) Cost of Production
- (d) Cost of Goods Sold
- (e) Total Cost
- (f) Profit [16]

Q.5) (A) The expenses budgeted for production of 10,000 units in a factory are furnished below :

	Per Unit (Rs.)
Materials	210
Labour	75
Variable Overheads	60
Fixed Overheads (Rs. 3,00,000)	30
Variable Expenses (Direct)	15
Selling Expenses (10% Fixed)	39
Distribution Expenses (20% Fixed)	21
Administrative Expenses (Fixed) (Rs. 1,50,000)	15
Total Cost per Unit	465

Prepare a budget for production of 8,000 units and 6,000 units. [12]

(B) The Sales and Profits during two years were :

Year	Sales (Rs.)	Profits (Rs.)
2007	4,50,000	60,000
2008	5,10,000	75,000

You are required to calculate :

- (a) P/V Ratio
- (b) Fixed Cost
- (c) Break-even Point
- (d) Sales required to earn a profit of Rs. 1,20,000. [12]

OR

(B) From the following information, calculate : [12]

- (a) Material Cost Variance
- (b) Material Price Variance
- (c) Material Usage Variance

Material	Standard Qty. (Kg)	Standard Price (Rs.)	Actual Qty. (Kg)	Actual Price (Rs.)
X	1,000	40	1,200	37.50
Y	1,500	50	1,800	45
Z	2,000	60	2,400	55