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SEAT No. :

PA-1900

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F.Y. B.B.A. (Semester - II)

**204 : BASICS OF COST ACCOUNTING
(2019 Pattern)**

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates :

- 1) *All questions are compulsory.*
- 2) *Figures to the right indicate full marks.*
- 3) *Use of calculator is allowed.*

- Q1) A) Fill in the blanks : [5]**
- a) _____ is the application of costing and cost accounting principles, methods and techniques.
 - b) A _____ is a unit of product, services on time in relation to which cost may be ascertained or expressed.
 - c) Carriage outward is an example of _____ overhead.
 - d) Any loss in excess of the estimated loss is known as _____
 - 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) Financial Accounting has been developed out of the limitations of Cost Accounting.
 - b) Profit on every contract is computed only when the contract is completed.
 - c) Cost accounting is historic in nature.
 - d) Indirect Material is an example of overhead cost.
 - e) Each contract is treated as a separate cost unit.
- C) Define the following terms : [5]**
- a) Cost Accounting
 - b) Direct Labour
 - c) Fixed Cost
 - d) Apportionment of Overhead
 - e) Cost Sheet

P.T.O.

Q2) Write short notes on (any four) : **[20]**

- a) Classification of Overhead on the basis of Elements.
- b) Accounting of Overhead
- c) Difference between Financial Accounting and Cost Accounting
- d) Contents of Cost Sheet.
- e) Methods of Costing.

Q3) The accounts of Raghav Manufacturing Company for the year ended March, 2022 show the following : **[15]**

Particulars	Rs.
Material Purchased	1,90,000
Travelling Expenses	2,000
Traveler's Salaries and Commission	9,000
Factory office salaries	6,000
General office salaries	13,000
Carriage outward	4,000
Carriage on purchases	7,000
Bad Debts	7,000
Repairs of Plant and Machinery	4,000
Rent, Rates, Taxes and Insurance :	
Factory	9,000
Office	2,000
Sales	4,50,000
Stock of Materials	
1 st April, 2021	62,800
31 st March, 2022	48,000
Income Tax	1,500
Productive Wages	126,000
Depreciation	
Plant and Machinery	6,000
Furniture	300
Directors Fees	6,500
Gas and Water :	
Factory	1,200
Office	400
Dividend	10,000
General Expenses	3,400
Managers Salary ($\frac{3}{4}$ factory and $\frac{1}{4}$ office)	10,000

Prepare cost sheet giving the following information :

- a) Material Consumed
- b) Prime Cost
- c) Factory Cost
- d) Cost of Production
- e) Total Cost
- f) Net Profit.

Q4) A) Vivek Constructions Ltd., Pune undertook a contract of Rs. 8,00,000 for the construction of a Hotel Building on 1st April, 2021. The following information is taken up from the Contract Ledger as on 31-3-2022: [10]

Particulars	Rs.
Cash received being 90% of work certified	3,60,000
Material directly issued from stores	120,000
Material purchased	50,000
Scrap Material sold	9,000
Material transferred to other contract	11,000
Materials in hand on site	10,000
Materials returned to stores	6,000
Direct wages paid and payable	85,000
Direct charges	45,000
Overheads charged to contract	40,000
Subcontract Cost	9,000
Cost of Additional Work	3,400
Outstanding Direct Expenses	1,600
Plant purchased on 1-4-2021 and issued directly	80,000
Plant transferred on 1-4-2021 to other contract	60,000
Uncertified work being 8% of certified work.	

You are required to prepare Contract Account

- B) A product X produce in Krishna ltd. Nashik passes through three processes A, B & C. 10,000 units were issued to process 'A' in the beginning at cost of Rs. 10 per unit. Prepare process account assuming that there was no opening or closing stock.

The following information is made available: [10]

Particulars	Process A	Process B	Process C
Sundry Materials (Rs.)	10,000	15,000	5,000
Wages (Rs.)	50,000	80,000	65,000
Direct Expenses (Rs.)	15,300	18,100	30,828
Normal Scrap(%)	3	5	8
Value of Scrap per unit(Rs.)	2.50	5.00	8.50
Actual Output (units)	9,500	9,100	8,100



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F.Y. B.B.A

204: BASICS OF COST ACCOUNTING

(2019 Pattern) (Semester - II)

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Use of calculator is allowed.

Q1) A) Fill in the blanks (any five) : [5]

- a) Costing is the technique and process of _____ costs.
- b) Opportunity cost means the _____ made for not utilizing the other alternatives.
- c) Wages paid for factory supervision is the example of _____ labour.
- d) Under _____ the value of contract is determined by adding a fixed margin of profit to the total cost of contract.
- e) If the actual loss is _____ than normal loss, it is termed as abnormal loss.

B) State whether the following statements are True or False (any five) : [5]

- a) Prime costs are identifiable.
- b) All overheads are costs but all costs may not be overheads.
- c) Job Costing and Contract Costing are the forms of operating costing.
- d) Direct costs are also termed as overheads.
- e) Work uncertified does not contain a profit element.

C) Define the following terms [5 × 1 = 5]

- a) Costing.
- b) Direct Material.

P.T.O.

- c) Variable Cost.
- d) Allocation of Overhead.
- e) Contract Costing.

Q2) Write short notes on (any four) **[4 × 5 = 20]**

- a) Meaning of operating costing and the areas of its application.
- b) Normality wise classification of cost.
- c) Difference between Apportionment of Overhead and Absorption of Overheads.
- d) Meaning of Joint Product & By Product.
- e) Types of Cost Centre.

Q3) The cost of sale of product 'Butnol' is made up as follows : **[15]**

Particulars	Rs.
Royalties	1,200
Materials used in production	15,000
Carriage on sales	3,000
Material used in primary packing	10,000
Carriage on purchases	6,000
Material used in secondary packing	2,000
Bad debts	4,000
Material used in factory workshop	800
Coal and coke	2,000
Material used in Administrative office	1,500
Administration on cost	500
Labour required in manufacturing	10,000
Motive power	1,000
Productive wages payable	500
Chargeable expenses (Direct)	4,000
General overheads	2,000
Purchase of raw materials	44,000
Labour required for works supervision	2,500

Assuming that all products manufactured in Peterson Chemicals Ltd. Bhosari are sold, what should be the invoice price to obtain a profit of 20% on Total Cost?

- Q4)** A) Gokul Construction, Ghargan undertook a contract for Rs. 4,00,000 on 1st April 2021. They incurred the following expenses during the year 2021-22. **[10]**

Particulars	Amount
Materials issued from stores	40,000
Materials transferred from contract	3,000
Materials directly purchased for the contract	12,000
Materials in hand on site	3,000
Plant	1,00,000
Wages paid directly	60,000
Architect's fees	4,000
Wages due but not paid	2,000
Direct expenses outstanding	1,000
Cash received from contractee	1,44,000
Work certified	1,80,000
Cost of work uncertified	2,000
Plant as on 31-3-2022	70,000

Prepare contract account for the year ended 31-03-2022.

- B) The Elpro Chemicals Ltd, Elabad manufacture and sell their chemical product by consecutive processes. The products of these processes are dealt with as under : [10]

Particulars	Process 1	Process 2	Process 3
Transferred to next process (%)	66 $\frac{2}{3}$	60	-
Transferred to warehouse for sale (%)	33 $\frac{1}{3}$	40	100
Raw Materials (Tons)	1400	160	1260
Raw Materials - rate per tone (Rs.)	10	16	17
Wages and Other Expenses	5152	3140	8928

In each process 4% of the total weight put in is lost and 6% is scrap which from process 1 realizes at Rs. 3 per ton, from process 2 at Rs. 5 per ton and from process 3 at Rs. 6 per ton.

Prepare process cost account showing cost per ton of each process.
