

Exam. Code : 105405

Subject Code : 1506

B.B.A. 5th Semester
COST ACCOUNTING
Paper—BBA-505

Time Allowed—3 Hours]

[Maximum Marks—50

SECTION—A

Note :— Attempt any **TEN** questions. Each question carries
1 mark. Answer to each question should not exceed
5 lines.

I. Write notes on the following :

- (a) Cost Accountancy
- (b) Cost Unit
- (c) Direct Expenses
- (d) Cost Plus Contract
- (e) Process Costing
- (f) Abnormal Process Loss
- (g) Break Even Point
- (h) Standard Costing
- (i) Flexible Budget
- (j) Budget Period
- (k) Standard Cost
- (l) Labour Idle Time Variance.

SECTION—B

Note :— Attempt any **TWO** questions. Each question carries **10** marks. Answer to each question should not exceed **5** pages.

- II. Define and distinguish between cost accounting and financial accounting.
- III. What do you mean by cost sheet ? How it is prepared ?
- IV. What do you understand by cost plus contract and escalation clause in contract costing ? Discuss the advantages of cost plus contracts to the manufacturer and the buyer.
- V. Bengal Chemical Co. Ltd. produced three chemicals during the month of July, 2010 by three consecutive processes. In each process 2% of the total weight put in is lost and 10% is scrap which from processes (1) and (2) realises Rs. 100 a ton and from process (3) Rs. 20 a ton.

The products of three processes are dealt with as follows :

	Process 1	Process 2	Process 3
Passed on to the next process	75%	50%	—
Sent to warehouse for sale	25%	50%	100%

Expenses incurred :

	Process 1		Process 2		Process 3	
	Rs.	Tons	Rs.	Tons	Rs.	Tons
Raw Materials	1,20,000	1,000	28,000	140	1,07,840	1,348
Manufacturing wages	20,500	—	18,520	—	15,000	—
General Expenses	10,300	—	7,240	—	3,100	—

Prepare Process Cost Accounts showing the cost per ton of each product.

SECTION—C

Note :— Attempt any **TWO** questions. Each question carries **10** marks. Answer to each question should not exceed **5** pages.

- VI. What do you understand by functional budgets ? Discuss any two such budgets.
- VII. Define the term standard costing. Outline the primary objects of standard costing. Discuss the advantages and limitations of standard costing.
- VIII. What is the significance of term variance in standard costing ? Define and explain the following variances :
- Material Cost Variance
 - Material Price Variance
 - Material Usage Variance.
 - Labour Cost Variance
 - Labour Efficiency Variance
- IX. Assuming that the cost structure and selling prices remain the same in periods I and II, find out :
- Profit Volume Ratio;
 - Fixed Cost;
 - Break Even Point for Sales;
 - Profit when Sales are of Rs. 1,00,000;
 - Sales required to earn a Profit of Rs. 20,000; and
 - Margin of Safety at a Profit of Rs. 15,000;
 - Variable Cost in Period II;
 - Sales to earn a profit of 10% on sales.

Period	Sales Rs.	Profit Rs.
I	1,20,000	9,000
II	1,40,000	13,000