

Roll No.
8500 40/30/30/40

January 2019

Bachelor of Business Administration (BBA) Examination

(Full Time) (New) Third Semester
BB-304 : BUSINESS COSTING

Time 3 Hours]

[Max. Marks 80

Note : Attempt all four questions. Each question carries equal marks.

1. The following information is available from the records of Y Ltd. (a manufacturing company) for the month December, 2017.:

Particulars	Amount (Rs.)
Stocks of Raw Materials :	.
Opening	45,000
Closing	72,000
Purchases :	
Raw Materials	2,77,000
Finished Goods	40,000
Wages :	
Manufacturing	1,20,000
Non-Productive	35,000
Factory Expenses	45,000
Establishment Expenses	10,000
Selling and Distribution Expenses	30,000
Stocks of Finished Goods :	
Opening	6,000
Closing	1,16,000
Sales of Finished Goods	5,00,000

You are asked to prepare a Cost Sheet showing :

- Cost of Raw Materials used.
- Prime Cost.
- Works Cost.
- Cost of Production.
- Cost of Goods Sold.
- Total Cost.
- Profit on Sales.
- Percentage of Factory Overhead on Direct Wages.
- Percentage of Office and Administration Overhead on Works Cost.
- Percentage of Selling and Distribution Overhead on Works Cost.
- Percentage of Profit Sales, and
- Percentage of Profit on Cost.

2. A certain product passes through three different processes. The output of each process is treated as the raw material for the next process. Form the following data prepare the process accounts and abnormal wastage account and calculate the cost of the finished articles.

Particulars	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Material Used	25,000	15,000	7,000
Labour	17,500	15,000	6,250
Overheads	12,500	12,500	18,750

The units received in the Process A were 15,000 @ Re. 1 per unit and the output of each process is as follows :

Particulars	Process A	Process B	Process C
Output (units)	14,000	13,200	11,600
Normal Wastage	4%	5%	10%

The wastage is calculated in each process on the basis of units entering into the process.

The Wastage in Process A and B has a sale price of Rs. 20 per 100 units and process C Re. 1 per unit. <http://www.davvonline.com>

3. The following was the expenditure on a contract for Rs. 12,00,000 commenced in January, 2017:

Particulars	Amount (Rs.)
Materials	2,40,000
Wages	3,28,000
Plant	40,000
Overheads	17,200

Cash received on account of the contract up to 31st December, 2017 was Rs. 4,80,000 being 80% of the work certified. The value of materials in hand was Rs. 20,000. The plant had undergone 20% depreciation.

Prepare Contract Account and determine profit to be taken to P and L Account.

4. Write analytical short notes on any two of the following :
- Cost Center and Profit Centre.
 - Advantage and Limitation of Cost Accounting.
 - ABC Analysis.
 - Economic Order Quality.