



## **ED-979**

BBA 2nd Semester  
Examination, May-June 2021

Cost Accounting

(109)

*Time* : Three Hours] [*Maximum Marks* : 90  
[*Minimum Pass Marks* : 32

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**Note** : Answer **all** questions. All questions carry equal marks.

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### **Unit-I**

1. What is Cost Accounting ? Discuss the scope of Cost Accounting.

**OR**

What do you understand by Cost Accounting ?  
Discuss its purpose.

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**Unit-II**

2. What do you understand by elements of cost ?  
Explain in detail.

**OR**

What are the elements of costs ? Distinguish between direct costs and indirect costs.

**Unit-III**

3. From the following information of X Co. you are required to value of cost of materials issued and ending inventory by FIFO method.

Materials purchased :

Date	Units	Rate (₹)
2020		
January 5	200	20
15	400	30
25	200	40

Materials issued :

Date	Units
2020	
January 16	100
20	300
26	200
28	50

**OR**

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Compute a machine hour rate for machine No. 47 from the following data :

- (a) Cost of Machine ₹ 11,000  
(b) Scrap value ₹ 1,000  
(c) Life 20000 hours  
(d) Repair and Maintenance for whole life ₹ 5,000  
(e) Standing charges for shop ₹ 500  
(For a month of 25 working days)  
(f) Working hours per day 8  
(g) No. of machines in the shop 10  
(h) Power used per machine per month ₹ 80  
(i) Machine insurance 4% of depreciation

**Unit-IV**

4. The following particulars relate to a contract undertaken by a firm of engineers :  
(Years 1.1.2020 to 31.12.2020)

	₹
Materials sent to site	85,349

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	₹
Labour engaged	74,375
Plant installed	15,000
Direct expenses	3,169
Establishment charges	4,126
Materials returned to stores	549
Work certified	1,95,000
Work uncertified	4,500
Materials in hand on 31.12.2020	1,893
Wages due on 31.12.2020	2,400
Direct expenses accrued 31.12.2020	240
Value of Plant 31.12.2020	11,000

The contract price was ₹ 5,00,000. Cash received from contractee was ₹ 1,80,000. You are required to (a) Prepare the contract account (b) Prepare the contractee's account.

**OR**

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A product of Anil Ltd. passes through three processes *A*, *B* and *C*. The normal wastage and other information of each process is as under :

	<i>A</i>	<i>B</i>	<i>C</i>
Materials (₹)	8,000	4,000	2,000
Labour (₹)	12,000	8,000	6,000
Factory overhead (₹)	2,000	2,000	3,000
Sale of scrap per 100 units (₹)	5	5	20
Value of 40000 units introduced in			
Process A (₹)	16,000	-	-
Output (in units)	39000	37600	32000
Normal wastage	2%	5%	10%

The output of each process passes immediately to next process. Prepare the process accounts and show the treatment of wastage in the process.

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**Unit-V**

5. You have gathered the following information in respect of a product 'X' :

Standard output	1200 units
Actual output	1000 units
Standard quantity for standard output	1200 kg.
Actual quantity used	1100 kg.
Standard price	₹ 7.00 per kg.
Actual price	₹ 7.50 per kg.

On the basis of above information calculate :

- (a) Material cost variance
- (b) Material price variance
- (c) Material usage variance
- (d) Material yield variance

and verify your answer.

**OR**

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What is Budgetary Control? Point out its objectives and advantages.

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