

**2024**

**BUSINESS ADMINISTRATION — HONOURS**

**Paper : BBAA-302-CC4**

**(Cost Accounting)**

**Full Marks : 75**

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**Group - A**

1. Answer *any ten* questions :

2×10

- (a) What is implicit cost?
- (b) Give an example of indirect material cost.
- (c) Write a point of difference between controllable and uncontrollable cost.
- (d) Define EOQ.
- (e) Define idle time.
- (f) Mention two reasons of Labour turnover.
- (g) Mention two examples of factory overheads.
- (h) What is group bonus scheme?
- (i) Give two examples of selling and distribution overhead.
- (j) What is Sunk Cost?
- (k) Define 'Machine Hour Rate'.
- (l) What do you mean by 'Under-Absorption of Overhead'?
- (m) Define 'Blanket Overhead Rate'.
- (n) What do you mean by 'Maximum Level'?
- (o) What is 'Marginal Costing'?

**Please Turn Over**

**(8312)**

## Group - B

2. Answer *any five* questions.

5×5

- (a) A manufacturing concern provides you with a summary of its production costs at three production levels :

Cost Items	2000 units (₹)	3000 units (₹)	4000 units (₹)
X	₹ 11,000	₹ 11,000	₹ 11,000
Y	₹ 16,000	₹ 24,000	₹ 32,000
Z	₹ 14,000	₹ 19,000	₹ 24,000

- (i) Indicate the cost behavior of the cost items.  
(ii) Calculate the total cost for the production of 5000 units.
- (b) A company purchases a spare part from its suppliers @ ₹ 60 per unit. Annual requirements are 1,600 units. The following further informations are available:

Cost of one procurement :	₹ 100
Tax, insurance rent etc. per unit per annum	₹ 2
Annual return on investment	10%

Find out (i) Economic Order Quantity (ii) Time gap between two consecutive orders.

- (c) In a factory, standard time for a Job is 84 hours. The hourly rate of wage is ₹ 50. Halsey Premium plan is in operation at the factory. Jayanta, a worker, complete the job at less than Standard time and his effective hourly rate of wage ₹ 60. What will be his total earnings if worked under Rowan Premium plan?
- (d) What are the objectives of Cost Accounting?
- (e) What are the different methods of Absorption of Overhead?
- (f) Which method of costing would you recommend for the following industries : (i) Construction Industry (ii) Transport Industry (iii) Chemical Industry (iv) Ship-building Industry (v) Spare-Parts Manufacturing Industry?
- (g) What are the causes of Labour turnover?
- (h) Sumita Ltd. furnished the following stock records for the month of December, 2023 :

December 1 Stock of material	: 400 units @ ₹ 5 per unit
December 5 Purchased	: 600 units @ ₹ 3 per unit
December 10 Issued	: 500 units
December 20 Purchased	: 700 units @ ₹ 4 per unit
December 31 Issued	: 400 units

You are required to calculate :

- (i) the value of closing stock on 31.12.2023  
(ii) the value of materials consumed during the month of December, 2023.

The accountant of Sumita Ltd. follows LIFO method of pricing issues.

(3)

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## Group - C

3. Answer *any three* questions.

10×3

- (a) Sunlight Engineering Company has two production departments A and B and also two service departments X and Y. Following are the particulars of a month. Calculate the labour hour rate for each of the production departments.

Indirect Material : Dept A ₹ 1,700, B ₹ 1,000, X ₹ 800 and Y ₹ 400; Indirect Wages ₹ 9,000; Rent ₹ 8,000; Canteen expenses ₹ 1,800, Lighting ₹ 2,200 and Depreciation ₹ 2,000.

	Dept. A	Dept. B	Dept. X	Dept. Y
No. of workers	20	25	2	3
Area (sq. metre)	200	300	100	200
Direct wages (₹)	8,000	10,000	2,000	6,000
No. of electric points	50	40	10	10
Value of fixed assets (₹)	50,000	60,000	20,000	30,000
Days worked (8 hours each)	25	26	24	26

The expenses of service departments X and Y are to be apportioned as below :

	Dept. A	Dept. B	Dept. X	Dept. Y
Dept. X	50%	30%	—	20%
Dept. Y	40%	50%	10%	—

- (b) The following information have been obtained in respect of a raw material used by Joy Ltd. :

Maximum consumption	: 1200 units per week
Minimum consumption	: 800 units per week
Re-order quantity	: 4800 unit
Re-order period	: 4 to 6 weeks
Maximum lead time for emergency purchase	: 2 weeks

You are required to calculate :

- re-order level,
- maximum stock level,
- minimum stock level,
- average stock level and
- danger level.

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(8312)

(c) What is Costing? State the essentials of a good Cost Accounting System.

(d) The following transactions took place in the month of February, 2023 :

Feb 1	Opening Balance	500 Quintals	@ ₹ 25.00
3	Issue	70 Quintals	
4	Issue	100 Quintals	
8	Issue	80 Quintals	
13	Received from vendor	200 Quintals	@ ₹ 24.50
14	Refund of surplus from a work order	15 Quintals	@ ₹ 24.00
16	Issue	180 Quintals	
20	Received from vendor	240 Quintals	@ ₹ 24.75
24	Issue	304 Quintals	
25	Received from vendor	320 Quintals	@ ₹ 24.50
26	Issue	112 Quintals	
27	Refund of Surplus from a work order	12 Quintals	@ ₹ 24.50
29	Received from vendor	100 Quintals	@ ₹ 25.00

Find out the value of Closing Stock under FIFO Basis.

- (e) (i) In an assembly shop of a Motorcylce factory, 4 workmen P,Q,R and S work together as a team. They are paid on group piece rate and they work individually on day-rate jobs. In a 46 hours week, the following hours have been spent by P,Q,R and S on group work, viz. P-40 hours, Q-40 hours, R-30 hours and S-20 hours. The balance of the time has been booked by each worker on day rate job. Their hourly rates are P-₹ 5, Q-₹ 7.50, R-₹ 10 and S-₹ 10. The group piece rate is ₹ 10 per unit and the team has produced 180 units. Calculate the gross weekly earning of each workman taking to consideration that each worker is entitled to dearness allowance of 25% of time wages.
- (ii) A worker takes 80 hours to do a job for which time allowed is 100 hours. His daily rate is ₹ 6 per hour. Calculate the works cost of the job under the following methods of payment of wages : (a) Time rate, (b) Piece rate, (c) Halsey Plan and (d) Rowan Plan.

Additional Information :

(a) Material cost ₹ 800 : (b) Factory overhead- 125% of wages.

4+6