

**V Semester B.B.M. Examination, June/July 2011**  
**COST ACCOUNTING**

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any five** sub questions. **Each** sub question carries **two** marks. **(2×5=10)**

1. a) Define cost unit and cost centre.
- b) What is budgetary control ?
- c) State the meaning of joint products and bye-products.
- d) What do you mean by cost-volume-profit analysis ?
- e) What is break even point ?
- f) Annual consumption of material : 5000 kg, cost per unit Rs. 2, ordering cost Rs. 5, carrying cost = 8%. Calculate E.O.Q.
- g) Sales volume (20000 units) Rs. 50,000.  
Variable cost Rs. 30,000, Fixed cost Rs. 10,000  
Find B.E.P. in units and value.

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**

2. Differentiate between bin card and stores ledger.
3. Compare FIFO and LIFO method of costing material.
4. Explain interfirm comparison.
5. Following information in respect of material 'A' is as follows :  
Recorder quantity 4000 units, Delivery period 4 to 6 weeks, Normal usage 400 units, Minimum usage 250 units, Maximum usage 600 units.  
**Calculate** : Reorder level, Minimum level, Maximum level, Average stock level.

**P.T.O.**

6. The sales turnover and profit during two periods were as follows :

	<b>Sales</b>	<b>Profit</b>
Period I	Rs. 2,00,000	Rs. 20,000
Period II	Rs. 3,00,000	Rs. 40,000

**Calculate :**

- i) P/V ratio                      ii) Fixed cost                      iii) B.E. point

### SECTION – C

Answer **any five** questions. **Each** question carries **ten** marks.

**(10×5=50)**

7. Discuss various techniques of inventory control.
8. Compare job-order costing and process costing.
9. Explain the main considerations in installing a costing system.
10. Explain the objectives of budgeting. Explain the various budgeting approaches.
11. Prepare a stores ledger account under LIFO and FIFO pricing methods.
- 1-8-2010 Opening balance 50 units @ Rs. 3 per unit
  - 5-8-2010 Issued 2 units
  - 7-8-2010 Purchased 40 units @ Rs. 4 per unit
  - 9-8-2010 Issued 20 units
  - 19-8-2010 Purchased 76 units @ Rs. 3 per unit
  - 24-8-2010 Returned to stores 19 units issued on 9-8-2010
  - 27-8-2010 Issued 10 units
12. From the following information prepare a sheet showing cost and profit per 1000 bricks.
- Materials used.
- Lime 895 tons @ Rs. 50 per ton
  - Coal 820 tons @ Rs. 40 per ton
  - Sand Rs. 2 per 1000 bricks

Stores Rs. 1,250

Labour Rs. 60,000

Opening stock 1 lakh bricks

Closing stock 6 lakh bricks

Factory on cost 25% direct wages

Office on cost 10% of factory cost

Bricks sold 35 lakhs @ Rs. 70 per thousand.

13. The following are the figures relating to two processes. Prepare process accounts.

	<b>Process A</b>	<b>Process B</b>
Materials in tons	1000	70
Cost per ton	Rs. 125	Rs. 200
Wages	Rs. 28,000	Rs. 10,000
Manufacturing Exp.	Rs. 8,000	Rs. 5,250
Output in tons	830	780
Normal loss	5%	5%
Scrap	10%	10%
Value of scrap per ton	Rs. 80	Rs. 200

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