

UTTARAKHAND OPEN UNIVERSITY, HALDWANI (NAINITAL)



उत्तराखंड मुक्त विश्वविद्यालय हल्द्वानी (नैनीताल)

Programme Name-BBA –Third Semester

Programme Code-BBA-12

Course Name- Basic Costing

Course Code-BBA 303

Maximum Marks-40

Session -2014-15, Summer

Last Date of Submission: 31 January, 2015

Section-A

Section 'A' contains 08 short answer type questions of 5 marks each. Learners are required to answers 4 questions only. Answers of short answer-type questions must be restricted to 250 words approximately.

Discuss the following (1-6) –

1. Importance of Cost Accounting
2. Cost Centres and Cost Units
3. Advantages of ABC Technique
4. Systems of Wage Payment
5. Contract and Job Costing
6. Essential characteristics of Process Costing
7. Prepare a stores ledger account from the following transactions under the LIFO method.

January 1	Received 1000 units@ Rs. 1.00 per unit
January 10	Received 260 units @Rs 1.05 per unit
January 20	Issued 700 units
February 4	Received 400 units@ Rs1.15 per unit
February 21	Received 300 units@ Rs1.25 per unit
March 16	Issued 620 units
April 12	Issued 240 units
May 10	Received 500 units @ Rs. 1.10 per unit
May 25	Issued 380 units

8. From the following information, compute the machine hour rate in respect of Machine No. 10 for the month of January:

Particulars	
Cost of Machine	Rs. 32,000
Estimated scrap value	Rs. 2,000
Effective working life	10,000 hours

Repairs and maintenance over the life period of machine	Rs.2,500
Standing charges allocated to this machine for January	Rs 400
Power consumed by the machine @ Re. 0.30 per unit	Rs.600
The machine consumes 10 units of power per hour.	

Section-B

Section 'B' contains 04 long answer-type questions of 10 marks each. Learners are required to answer 02 questions only.

1. 'Cost Accounting is becoming more and more relevant in the emerging economic scenario in India'. Discuss
2. What is the meaning of labour turnover? How is it measured? By what measures can you reduce labour turnover?
3. What do you mean by absorption of overheads? Discuss the various methods for the absorption of factory overheads.
4. X Ltd. produces a Herbal Shampoo which is made by subjecting certain crude herbs to two successive processes A and B. The following data in respect of processing have been obtained from the accounting records of the company for a cost period-

Particulars	Process A	Process B
Inputs (Units)	50,000	46,000
Normal Loss	10%	?
Cost Incurred:	Rs.	Rs.
Materials	9,00,000	1,96,000
Direct labour	4,26,000	2,47,000
Production overheads	2,84,000	1,78,000
Realisable scrap value/unit	7	20

The outputs of Process A are transferred directly to Process B. The output of Process B was 43,200 units which were sold at Rs. 60 per unit showing a profit of 20% on cost.

You are required to prepare the Process Cost Accounts assuming that there was no closing stock of W.I.P and Finished Goods.