

UTTARAKHAND OPEN UNIVERSITY, HALDWANI (NAINITAL)



Programme Name-BBA-Third Semester
Programme Code-BBA-12
Course Name- Basic Costing

Course Code-BBA 303

Maximum Marks-40

Session -2015-16, Summer
Last Date of Submission: 31st January, 2016

Section-A

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

Discuss the following (1-8) –

1. Prepare the specimen of a cost sheet with imaginary figures.
2. Functions of cost accounting.
3. Objectives of inventory control.
4. Find EOQ on the basis of the following data:
Estimated requirement for the year 600 units
Cost per unit Rs 20
Ordering Cost (per order) Rs 12
Carrying Cost (% of average inventory) 20%
5. Measures to reduce labour turnover.
6. Difference between Job costing and Batch costing.
7. Features of contract costing.
8. A product passes through three distinct processes to completion. These processes are numbered 1, 2 and 3 respectively. During the week ending 31st January, 1000 units are produced. The following information is obtained:

Rs.

Particulars	Process 1	Process 2	Process 3
Materials	6,000	3,000	2,000
Labour	5,000	4,000	5,000
Direct expenses	1,000	200	1,000

The direct expenses for the period were Rs. 2,800 apportioned to the processes on the basis of labour cost.

Prepare process accounts showing the total cost and cost per unit.

Section-B

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

1. What is cost accounting? Explain the major differences between financial accounting and cost accounting.
2. From the following information for the month of March, prepare a cost sheet to show the following components:
 - a) Prime cost, b) Factory cost , c) Cost of production and d) Total cost.

	Rs
Direct material	57,000
Direct wages	28,500
Factory rent and rates	2,500
Office rent and rates	500
Plant repairs and maintenance	1,000
Plant depreciation	1,250
Factory heating and lighting	400
Factory manager's salary	2,000
Office salaries	1,600
Director's remuneration	1,500
Telephone and postage	200
Printing and stationery	100
Legal charges	150
Advertisement	1,500
Salesmen's salaries	2,500
Showroom rent	500
Sales	1,16,000

3. Discuss the various incentive plans. Discuss also the advantages and disadvantages of each plan.
4. What do you understand by absorption of overheads? Discuss the various methods for the absorption of factory overheads.