Department of Management
School of Management Studies
JAMIA HAMDARD
Even Semester Examination 2022
BBA II Sem.

MM. 75

Time: 3 hrs.
Subject Name: BBA-F08
Subject Code: Cost Accounting

Sec. A

Attempt any six questions. Each question carries 5 marks.(6x5=30)

1. State and explain the main differences between Cost Accounting and Financial Accounting.
2. Explain fixed, semi-variable and variable cost. Distinguish between fixed and variable cost.
3. What is the Job costing? In what type of industries this system suitable. Give examples.
4. Write short notes on abnormal loss and abnormal gain in Process costing.
5. Define the term Zero Base Budgeting. Explain its features.
6. Discuss various techniques of Costing. State one suitable example of each technique.
7. What are various limitations of financial accounting.
8. Explain advantages and disadvantages of Budgetary control.
9. Write short notes on (a) Cost plus contract, and (b) profit on incomplete contract.

Sec. B

Attempt any three questions. Each question carries 15 marks.(15x3=45)

1. The following information relates to the personnel department of a factory for a particular month.

No. of workers in the beginning of the month	9,500
No. of workers at the end of the month	10,500
No. of workers who quit the factory during the month	200
No. of workers discharged from the factory during the month	200
No. of workers engaged during the month (including 1500 on account of expansion scheme)	1700

Calculate Labour Turnover rate by applying
(i) Separation Method
(ii) Replacement Method
(iii) Flux method

2. From the following particulars of a manufacturing firm for the year 2021, prepare the Cost sheet showing (i) Prime Cost, (ii) Works Cost, (iii) Cost of Production and (iv) Cost of Sales.

	Rs.
Stock of materials as on 1.1.2021	80,000
Stock of Work in Progress as on 1.1.2021	1,22,000

Purchase of materials	20,00,000
Productive Wages	7,20,000
Expenses directly traceable	80,000
Works overhead	2,80,000
Office and administrative expenses	2,00,000
Selling and distribution expenses	2,66,000
Finished goods sold (3,800 units)	38,00,000
Stock of materials on 31.12.2021	1,00,000
Stock of Work in progress on 31.12.2021	1,80,000
Stock of finished goods on 31.12.2021 (8,000 units)	6,40,000

3. Company A and Company B both under the same management make and sell the same type of product. The budgeted profit and loss accounts for the year ending 2000 are as follows:

	Company A		Company B	
	Rs.	Rs.	Rs.	Rs.
Sales		3,00,000		3,00,000
Less: Variable Cost	30,000	2,40,000		2,00,000
Fixed Cost			70,000	
		2,70,000		2,70,000
Profit		30,000		30,000

You are required to

(a) Calculate the Break Even Point for each company.

(b) Calculate the Sales volume at which each of the two companies will make a profit of Rs. 10,000.

(c) State which company is likely to earn greater profit in condition of:

(i) Heavy demand for the product

(ii) Low demand for the product.

Give your reasons.

4. Write short notes on:
   (i) PV Ratio
   (ii) Margin of Safety
   (iii) Contribution and its calculation.
5. (a) Distinguish between Absorption costing and marginal Costing.
   (b) Explain the application of marginal Costing for decision making.
6. Write short note on any three of the following:
   (a) Cost Unit and Cost Centre
   (b) Operating Costing
   (c) Types of Budgets
   (d) Objectives of Cost Accounting.