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## Paper ID [C0207]

(Please fill this Paper ID in OMR Sheet)

BBA (Sem. - 2<sup>nd</sup>)

FINANCIAL ACCOUNTING (BB - 201)

Time : 03 Hours

Maximum Marks : 60

Instruction to Candidates:

- 1) Section - A is **Compulsory**.
- 2) Attempt any **Four** questions from Section - B.

### Section - A

Q1)

(10 × 2 = 20)

- a) Briefly discuss the scope of cost accounting.
- b) Distinguish between direct and indirect labour.
- c) What is economic order quantity?
- d) Define fixed overheads
- e) Explain budgetary control.
- f) What is cash budget?
- g) Explain the meaning of material price variance
- h) Give the formula for calculating P/V ratio.
- i) Explain absorption of overheads.
- j) What do you mean by cash flow statement?

### Section - B

(4 × 10 = 40)

Q2) What is cost accounting? Explain briefly the objects and advantages of cost accounting.

Q3) Define overhead costs. Distinguish between fixed ,semi fixed and variable overhead cost giving an example of each.

E-262 [1208]

P.T.O.

Q4) The following data relate to the manufacturer of a standard product during the month of March 1997.

Raw material consumed	Rs. 80,000
Direct wages	Rs. 48,000
Machine hours worked	8,000
Machine hour rate	Rs. 4
Office overheads	10% of works cost
Selling overheads	Rs. 1.50 per unit sold
Unit produced	4,000
Units sold	3,600 @ Rs. 50 each

You are required to prepare a cost sheet in respect of the above showing:

- a) cost per unit                      b) profit for the period

Q5) What do you mean by fund flow statement? Distinguish between cash flow and fund flow statement.

Q6) The net profits shown by the financial accounts of a company amounted to Rs. 28,550 whilst the profits disclosed by the company's cost accounts for that period were Rs. 38,660. On reconciliation the following differences were discovered:

The following items were not included in cost accounts:

Director's fee (Dr.)	Rs. 650
Bank interest (Cr)	Rs. 30
Income tax (Dr)	Rs. 8,300

A provision for Bad and doubtful debts made in financial books did not occur in cost accounts Rs. 570

Overheads absorbed in cost accounts were Rs. 8,500 while the actual as shown in financial accounts were Rs. 8,320

The expenditure on a work started during the year on a new factory was Rs. 16,000.

Depreciation @ 5% was provided in the financial books.

Prepare a statement reconciling the figures of profit as shown by the two sets of books.

Q7) Data relating to a job are thus:

Standard rate of wages per hour	Rs. 10
Standard hours	300
Actual rate of wages per hour	Rs. 12
Actual hours	200

You are required to calculate:

- a) Labour cost variance  
b) Labour rate variance  
c) Labour efficiency variance

