

Exam. Code : 105405

Subject Code : 1424

Bachelor in Business Administration (BBA)

5<sup>th</sup> Semester

COST ACCOUNTING

Paper-BBA-505

Time Allowed—3 Hours] [Maximum Marks—50

SECTION-A

Note :— Attempt any ten questions. Each question carries 1 mark. Answer to each question should not exceed five lines.

- I. Write notes on the following :
  - (a) Costing
  - (b) Difference between Fixed Cost and Variable Cost
  - (c) Sunk Cost
  - (d) Cost Sheet
  - (e) Difference between Normal Idle Time and Abnormal Idle Time
  - (f) Escalation Clause
  - (g) Contribution
  - (h) P/V Ratio
  - (i) Fixed Budget
  - (j) Labour Efficiency Variance
  - (k) Difference between Current Standard and Basic Standard
  - (l) Zero Based Budgeting.

SECTION-B

Note :— Attempt any two questions. Each question carries 10 marks. Answer to each question should not exceed five pages.

- II. Define cost accounting and financial accounting. Discuss the limitations of cost accounting and financial accounting.
- III. Tabulate the elements of cost showing the usual items of expenditures pertaining to each.
- IV. Explain briefly the features of contract accounts. Discuss the procedure followed in accounting for costs under contract costing.
- V. Bharat Chemicals Ltd. manufacture and sell their chemicals produced by consecutive processes :  
The products of these processes are dealt with as under :

	Process I	Process II	Process III
Transferred to			
next Process	$66\frac{2}{3}\%$	60%	—
Transferred to			
warehouse for sale	$33\frac{1}{3}\%$	40%	100%

In each process 4% of the weight put is lost and 6% is scrap which from process I realised Rs. 3 per ton, from Process II Rs. 5 per ton and from Process III Rs. 6 per ton.

Following particulars relate to January, 2016 :

	Process I	Process II	Process III
Raw Materials used in tons	1400	160	1,260
Rate per ton	Rs. 10	Rs. 16	Rs. 7
Wages and other expenses	Rs. 5,152	Rs. 3,140	Rs. 2,898

Prepare Process Accounts showing cost per ton of each product.

### SECTION-C

**Note** :— Attempt any **two** questions. Each question carries **10** marks. Answer to each question should not exceed **five** pages.

- VI. What is budgetary control ? Describe the objectives of budgetary control. Explain the advantages and disadvantages of budgetary control.
- VII. What do you mean by standard costing ? What are its characteristics ? Discuss the advantages and limitations of standard costing
- VIII. "The effect of a price reduction is always to reduce the P/V ratio, to raise the Break Even Point and shorten the Margin of Safety". Explain and illustrate by a numerical example.

IX. From the following particulars calculate : (i) Total Material Cost Variance; (ii) Material Price Variance; (iii) Material Usage Variance.

Materials	Standard		Actual	
	Units	Price (Rs.)	Units	Price (Rs.)
A	1,010	1.0	1,080	1.2
B	410	1.5	380	1.8
C	350	2.0	380	1.9