

Indian Maritime University
Supplementary Examinations – September/October 2024
B.B.A (Logistics, Retailing and E-Commerce)
Sem IV
UG31T2402
Cost and Management Accounting I

Max Marks: 70 Marks	Pass Mark: 35
Date: 12.09.2024	Duration: 3 Hours

Part A

Answer all the Questions: 10 x 1 mark = 10 marks

1. A profit centre is a centre.....
 - (a) Where the manager has the responsibility of generating and maximising profits
 - (b) Which is concerned with earning an adequate Return on Investment
 - (c) Both of the above
 - (d) Which will manage the cost.
2. Cost unit used in power sector
 - a. Kilo meter
 - b. Kilo-watt hour
 - c. Number of electric points
 - d. Number of hours.
3. Costs incurred in the past and has no effect on future decision making is called _____
 - a. Opportunity cost
 - b. Imputed cost
 - c. Conversion cost
 - d. Sunk Cost.

4. When prices are decreasing, the best method of valuing material issues is:

- a. FIFO
- b. LIFO
- c. Average price
- d. None of the above.

5. In ABC analysis, a strict control is exercised on:

- a. All items
- b. The items which are large in number
- c. The items which account for high percentage of cost
- d. None of the above.

6. Idle time is a.....

- a. Time spent on production
- b. Unproductive time
- c. Time of work done
- d. Time taken by casual workers.

7. Thecosting is used in printing industry.

- a. Batch
- b. Job
- c. Output
- d. Contract.

8.arises when the actual process loss is less than the normal predetermined process loss.

- a. Normal loss
- b. Abnormal loss
- c. Abnormal gain
- d. None of the above.

9. In contract costing, all direct costs are debited to.....

- a. Profit and loss account
- b. Contract account

- c. Trading account
 - d. None of the above
10. Time rate and piece rate are combined in.....
- a. Halsey plan
 - b. Emerson's plan
 - c. Gantt system
 - d. Taylor's system

Part B

Answer all Questions: 05 X 02 = 10 Marks

11. From the following information find out the Economic Ordering Quantity
- Annual consumption 6000 units
 - Cost of ordering Rs. 15 per order
 - Cost per unit Rs. 2.50
 - Carrying cost 20% of average inventory.
12. Mention the objectives of Cost Accounting?
13. What is Opportunity Cost?
14. What are the essentials of material control?
15. Differentiate between overhead allocation and apportionment?

Part C

Answer Any 5: 05 X 10=50 Marks

16. Two components A and B are consumed as follows:-
- Normal consumption 100 units per week
 - Minimum consumption 50 units per week
 - Maximum consumption 150 units per week
 - Reorder quantity A 400 units, B 600 units
 - Reorder period A 6 to 8 weeks, B 3 to 5 weeks
 - Emergency supply time A- 3 weeks B- 2 weeks

Calculate

1. Minimum level
2. Maximum level
3. Reorder level
4. Average level
5. Danger level

17. In respect of a factory, the following figures have been obtained for the year 2019.

	Rs
Materials consumed	3,00,000
Productive wages	2,50,000
Factory overhead	1,25,000
Administrative overhead	1,68,750
Selling overhead	1,08,000
Distribution overhead	67,500
Profit	2,03,850

A work order has been executed in 2020 and the following expenses have been incurred.

Material	Rs. 7,750
Wages	Rs. 5,000

Assume that administrative overhead on works cost has gone up by 20%, selling overhead on works cost has gone up by 12.5% and the rate of factory overhead on labour has decreased by 10%. The percentage of distribution overhead did not show any variation. But the percentage of profit on cost was fixed at 25%. On the basis of the above information prepare a cost sheet for the new work order.

18. From the following particulates prepare stores ledger account under (i) FIFO (ii) LIFO method.

March 2 Purchases 200 units @ Rs.200

- 4 Issued 150 units
- 6 Purchases 200 units @ Rs.220
- 10 Issued 100 units
- 16 Purchases 200 units @ Rs.210
- 18 Issued 220 units
- 24 Purchases 150 units @ Rs.230
- 25 Issued 190 units
- 28 Issued 30 units

19. Explain the different classification of costs?
 20. Sumit Company has five departments. P, Q, R and S are production departments and T is a service department. The actual expenses for the period are as follows:

Repairs	3500
Rent	2500
Depreciation	1750
Supervision	5600
Insurance of stock	1600
Employer's contribution to PF	1200
Lighting	1250

The following are other information.

	Dept.P	Dept.Q	Dept.R	Dept.S	Dept.T
Floor area-sq. ft.	140	120	110	90	40
Number of workers	5	4	2	2	1
Total wages	10000	8000	5000	5000	2000
Value of plant (Rs)	20000	18000	16000	10000	6000
Value of stock(Rs)	15000	10000	5000	2000	---

Apportion the costs to the various departments on an equitable basis.

21. From the following particulars relating to a job, calculate earnings under Halsey and Rowan Scheme.

Standard Time -10 hrs.

Time taken - 8 hrs.

Time rate - 20/hr.

22. A product is completed in three consecutive processes. During a particular month the input to Process 1 of the basic raw material was 5,000 units at ₹ 2 per unit. Other information for the month was as follows:

		<i>Process 1</i>	<i>Process 2</i>	<i>Process 3</i>
Output	(Units)	4,700	4,300	4,050
Normal loss as % of input		5%	10%	5%
Scrap value per unit (₹)		1	5	6
Direct wages	(₹)	3,000	5,000	8,000
Direct expenses	(₹)	9,750	9,910	15,560

Overhead ₹ 32,000 total, chargeable as percentage of direct wages. There were no opening or closing work- in-progress stocks. Compile three process and finished stock account with details of abnormal loss and gain, where applicable.
