

INDIAN MARITIME UNIVERSITY
(A Central University, Govt. of India)
End Semester Examinations – June/July 2019
Semester IV
B.B.A (Logistics, Retailing and E-Commerce)
Cost & Management Accounting I-(UG31T1402)

Date: 11.06.2019

Time: 3 Hrs

Max Marks : 100

Pass Marks: 50

Part-A

Answer all the questions

10 x 1 = 10

1. The basic objective of cost accounting is
 - a. Profit analysis
 - b. Tax compliance
 - c. Cost ascertainment
 - d. Financial audit

2. Direct Expenses are also called
 - a. Chargeable expense
 - b. Overhead expense
 - c. Sundry expense
 - d. Major expense

3. Indirect material used in production is classified as
 - a. Selling Overhead
 - b. Factory Overhead
 - c. Distribution Overhead
 - d. Office Overhead

4. Tender is an
 - a. Estimation of profit
 - b. Estimation of units
 - c. Estimation of selling price
 - d. Estimation of cost.

5. Total of all direct cost is termed as
 - a. Prime cost
 - b. Works cost
 - c. Cost of sales
 - d. None of the above

6. A Cost Centre is :
- a. A unit of product or service in relation to which costs are ascertained.
 - b. An amount of expenditure attributable to an activity.
 - c. A production location for which costs are accumulated.
 - d. A Centre for which an individual budget is drawn up.
7. If opening inventory of material is 20,000 units and closing inventory is 40,000 units .the Average inventory amount will be:
- a. 40,000
 - b. 10,000
 - c. 20,000
 - d. 30,000
8. Fire insurance can be apportioned on the basis of
- a. Volume of Stock
 - b. Number of units produced
 - c. Materials used
 - d. Value of Stock
9. Contract Account is
- a. Nominal account
 - b. Real account
 - c. Personal account
 - d. None of the above
10. Loss which arise in the manufacturing activity due to the inherent nature of the product is called
- a. Gross loss
 - b. Abnormal loss
 - c. Net loss
 - d. Normal loss

Part – B (200 words)
Answer any 6 questions 6 x 7 = 42

11. Distinguish :
- a. Time keeping And Time Booking
 - b. Cost control and cost reduction
12. a. Calculate EOQ from the following information.

Annual consumption = 6000 units
Cost of Ordering = Rs.15/order
Cost per unit = Rs. 2.50
Carrying cost = 20% of average inventory

- b. Explain installation of a good costing system.
13. Write a note on ABC analysis.
14. Explain the classification of Overheads.
15. What is FIFO method? Discuss its advantages and disadvantages.
16. Time taken by a worker for completing a job is 40 hours. Time allowed for completion is 50 hours. Time rate per hour is Rs.10.
Calculate earnings of the worker using Halsey premium bonus system.
17. Distinguish job costing and contract costing.
18. Explain the features of a good wage plan.

Part-C (500 Words)

Question No.19 is compulsory and

Answer any 3 questions of the remaining 5 questions 4 x 12 = 48

19. P. Ltd. uses three types of materials A, B & C for production of X, the final product. The relevant monthly data for the components are as given below:

	A	B	C
Normal usage	200 units	150 units	180 units
Minimum usage	100 units	100 units	90 units
Maximum usage	300 units	250 units	270 units
Reorder Quantity	750 units	900 units	720 units

Reorder Period 2 to 3 months 3 to 4 months 2 to 3months

Calculate for each component:

- (a) Re-order level
 - (b) Minimum level
 - (c) Maximum level
 - (d) Average stock level
20. Though Cost accounting and Financial accounting make use of the same materials for recording and analyzing the transactions, the two system differ in their purpose and scope. Explain
21. What are the advantages and disadvantages of piece rate system?
22. S. will Ltd. has two production departments A, B and one service department S. The actual costs for a period are as follows:
23. Discuss the accounting treatment of normal loss, abnormal loss, wastage, scrap, spoilage and defectives.
24. Write an essay on "Functions and scope of cost accounting".

	Rs.		Rs.
Power	1,750	Sundries	1,600
Lighting	1,600	Depreciation	6,000
Rent and Rates	6,000	on Machinery	
Indirect wages	4,000		

The other particulars are :

	Production	Departments	Service Department
	A	B	S
Working Hours	4,000	3,000	2,000
Direct wages (Rs.)	3,000	2,000	3,000
Cost of Machinery	75,000	50,000	25,000
H.P. of Machinery	60	30	10
Light points	18	12	10
Floor Area (sq. ft.)	1,000	1,200	800

Apportions the costs of the various departments on most equitable basis.