

Total No. of Questions : 4]

SEAT No. :

P2067

[Total No. of Pages : 4

[5802]-204

F.Y. B.B.A

204: BASICS OF COST ACCOUNTING
(2019 Pattern) (Semester - II)

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) *All questions are compulsory.*
- 2) *Figures to the right indicate full marks.*
- 3) *Use of calculator is allowed.*

Q1) A) Fill in the blanks (any five) : [5]

- a) Costing is the technique and process of _____ costs.
- b) Opportunity cost means the _____ made for not utilizing the other alternatives.
- c) Wages paid for factory supervision is the example of _____ labour.
- d) Under _____ the value of contract is determined by adding a fixed margin of profit to the total cost of contract.
- e) If the actual loss is _____ than normal loss, it is term as abnormal loss.

B) State whether the following statements are True or False (any five) : [5]

- a) Prime costs are identifiable.
- b) All overheads are costs but all costs may not be overheads.
- c) Job Costing and Contract Costing are the forms of operating costing.
- d) Direct cost are also termed as overheads.
- e) Work uncertified does not contain a profit element.

C) Define the following terms [5 × 1 = 5]

- a) Costing.
- b) Direct Material.

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- c) Variable Cost.
- d) Allocation of Overhead.
- e) Contract Costing.

Q2) Write short notes on (any four) [4 × 5 = 20]

- a) Meaning of operating costing and the areas of its application.
- b) Normality wise classification of cost.
- c) Difference between Apportionment of Overhead and Absorption of Overheads.
- d) Meaning of Joint Product & By Product.
- e) Types of Cost Centre.

Q3) The cost of sale of product 'Butnol' is made up as follows : [15]

Particulars	Rs.
Royalties	1,200
Materials used in production	15,000
Carriage on sales	3,000
Material used in primary packing	10,000
Carriage on purchases	6,000
Material used in secondary packing	2,000
Bad debts	4,000
Material used in factory workshop	800
Coal and coke	2,000
Material used in Administrative office	1,500
Administration on cost	500
Labour required in manufacturing	10,000
Motive power	1,000
Productive wages payable	500
Chargeable expenses (Direct)	4,000
General overheads	2,000
Purchase of raw materials	44,000
Labour required for works supervision	2,500

Assuming that all products manufactured in Peterson Chemicals Ltd. Bhosari are sold, what should be the invoice price to obtain a profit of 20% on Total Cost?

- Q4)** A) Gokul Construction, Ghargan undertook a contract for Rs. 4,00,000 on 1st April 2021. They incurred the following expenses during the year 2021-22. **[10]**

Particulars	Amount
Materials issued from stores	40,000
Materials transferred from contract	3,000
Materials directly purchased for the contract	12,000
Materials in hand on site	3,000
Plant	1,00,000
Wages paid directly	60,000
Architect's fees	4,000
Wages due but not paid	2,000
Direct expenses outstanding	1,000
Cash received from contractee	1,44,000
Work certified	1,80,000
Cost of work uncertified	2,000
Plant as on 31-3-2022	70,000

Prepare contract account for the year ended 31-03-2022.

- B) The Elpro Chemicals Ltd, Elabad manufacture and sell their chemical product by consecutive processes. The products of these processes are dealt with as under : [10]

Particulars	Process 1	Process 2	Process 3
Transferred to next process (%)	66 $\frac{2}{3}$	60	-
Transferred to warehouse for sale (%)	33 $\frac{1}{3}$	40	100
Raw Materials (Tons)	1400	160	1260
Raw Materials - rate per tone (Rs.)	10	16	17
Wages and Other Expenses	5152	3140	8928

In each process 4% of the total weight put in is lost and 6% is scrap which from process 1 realizes at Rs. 3 per ton, from process 2 at Rs. 5 per ton and from process 3 at Rs. 6 per ton.

Prepare process cost account showing cost per ton of each process.
