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SEAT No. :

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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. [5]

- a) The basic objective of Cost Accounting is _____
- b) Overhead Cost is the total of _____
- c) If absorbed overheads are more than the actual overheads than it is termed as _____
- d) Carriage Outward in Cost Sheet is to be mentioned under _____ overheads
- e) _____ clause is usually provided in the contract as a safeguard against likely changes in overall price or cost of contract

B) State whether the following statements are True or False [5]

- a) Costing is simply the technique and process of ascertaining profit
- b) Cost classification can be done in several ways
- c) Clay used in bricks manufacturing is an example of indirect materials
- d) Wages paid to the labor engaged in production activity is an example of direct cost
- e) Marginal costs changes with change in production capacities

C) Explain the following terms in one sentence [5 × 1 = 5]

- a) Overheads
- b) Prime Cost
- c) Escalation Clause
- d) Abnormal Profit Loss
- e) Cost of Goods Sold under Cost Sheet

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

- a) Difference between Financial Accounting and Cost Accounting
- b) Break Even Point
- c) Cost of Raw Materials Consumed
- d) Classification of Cost
- e) Cost Control with the help of Cost Accounting

Q3) Following details have been obtained from the cost records of Mahendra Manufacturing Company, Mumbai for the year ended 31st March 2023 [15]

Particulars	Rs.
Stock of Raw materials as 1 st April 2022	50000
Raw materials purchased	120000
Motive power	4000
Direct wages	6000
Direct expenses	2000
Wages payable	5000
Office salaries	1500
Printing and Stationery	4000
Carriage outward	2500
Packaging expenses	1500
Selling expenses	3000
Travellers commission	5000
Stock of Raw materials as on 31 st March 2023	45000
Office Rent	10000
Legal charges	5000
Delivery van expenses	12000
Coal and Coke	1200
Sales	260000

Prepare Cost Sheet from the above information provided with all necessary heads and also calculate the amount of profit earned or loss incurred of the business.

- Q4) A) Mahadev Constructions Pvt.ltd. Nagpur, undertook a contract for a construction of a gymkhana. The following is the information with respect to the contract undertaken by the company. [10]

Particulars	Amount
Contract price	500000
Plant and Machinery as on 1 st April 2022	20000
Expenses of Plant and d Machinery	1200
Materials purchased	140000
Labour charges	
Engineers fee	6000
Outstanding Wages	5500
Uncertified work	15000
Overhead expenses	8000
Materials returned to stores	2000
Materials on hand at site	400
Value of Plant and Machinery as on 31 st March 2023	20000
Value of work certified	390000
Cash received	351000

Prepare Contract account for the year ended 31st March 2023. Also prepare Contractee Account from the same information. Show the calculation of Notional Profit or Notional Loss also.