



**WEST BENGAL STATE UNIVERSITY**  
BBA Honours 2nd Semester Examination, 2020

**BBAACOR04T-BBA (CC4)**  
**COST AND MANAGEMENT ACCOUNTING-II**

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.*  
*Candidates should answer in their own words and adhere to the word limit as practicable.*  
*All symbols are of usual significance.*

1. Answer any **five** questions from the following: 2×5 = 10
- (a) What is meant by Fixed Cost? Give one example.  
(b) What is Re-order Level?  
(c) What is Idle Time?  
(d) What is meant by under absorption of overhead?  
(e) What is Machine Hour Rate?  
(f) Mention two industries where Process Costing may be used.  
(g) What is Angle of Incidence?  
(h) What is EOQ?
2. Answer any **four** questions from the following: 5×4 = 20
- (a) What is Cost Accounting? Mention the features of Cost Accounting. 2+3  
(b) The annual requirement of an item is 12,000 units, each costing Rs. 6. The ordering cost is Rs. 200 per order and the inventory carrying cost is 20% p.a. Calculate (i) EOQ (ii) No. of orders to be placed in a year. 5  
(c) A worker has taken 200 hours to do a job for which the time allowed is 250 hours. His hourly wage rate is Rs. 40 per hour. Calculate the works cost of the job under Rowan Plan of wage payment: 5  
Additional information:  
(i) Direct material cost Rs. 60,000  
(ii) Direct expenses Rs. 24,000  
(iii) Factory overhead 120% of direct wages.  
(d) Z Ltd. has been operating at 60% capacity producing 12,000 units. Prepare a Flexible budget for 50% capacity. The following are the details at 60% capacity: 5

Details	Amount (Rs.)
Materials	1,20,000
Wages	60,000
Factory Overhead (30% fixed)	20,000
Administrative Overhead (100% fixed)	44,000
Selling and Distribution Overhead (70% fixed)	30,000
Sales	3,60,000

- (e) Describe the features of Contract Costing. 5
- (f) A company makes a sale of Rs. 2,40,000 during a certain period. The net profit for the period is Rs. 24,000 and the fixed cost is Rs. 36,000. 5
- Calculate (i) Break-Even sale and (ii) Volume of sale to earn a profit of Rs. 40,000.

3. Answer any *two* questions from the following: 10×2 = 20

- (a) The following data are available from the books and records of Hari Ltd. for the Month of April 2020: 10

	<b>Rs.</b>
Raw material consumed	50,000
Direct wages	30,000
Direct expenses	10,000
Indirect wages	12,000
Depreciation on Machinery	10,000
Office Overhead	20 % of Works Cost
Selling Overhead	Rs. 3 per unit
Units produced	15,000
Units Sold	12,000 @ Rs. 20 each

You are required to prepare a Cost Sheet.

- (b) A company has three production departments (A, B, C) and two service departments (D, E). From the following information, compute overhead rate per Production Hour of each production Department. 10

Rent & Rates	Rs. 5,000
Depreciation on Machines	Rs. 10,000
Canteen Expenses	Rs. 650
Lighting	Rs. 600
Power	Rs. 1,500
Sundries	Rs. 10,000

Items	A	B	C	D	E
Floor Area (Sq. Ft)	2,000	2,500	3,000	2,000	500
Light points (Nos.)	10	15	20	10	5
No. of Employees	25	20	10	5	5
Direct wages (Rs.)	3,000	2,000	3,000	1,500	500
Indirect wages (Rs.)	250	500	100	250	150
H.P. of machines	60	30	50	10	-----
Value of Machines (Rs.)	60,000	80,000	1,00,000	5,000	5,000
Production Hour Worked	1892	3,244	5903	-----	-----

The expenses of the service departments are apportioned as follows:

	A	B	C	D	E
D	20%	30%	40%	---	10%
E	40%	30%	20%	10%	----

- (c) What is meant by Budgetary Control? How do you distinguish between Budget and Budgetary Control? Briefly explain the importance of Budgetary Control. 2+3+5
- (d) The following particulars of a contract (Contract price Rs. 5,00,000) undertaken by a firm are furnished below: 10

Material consumed	Rs. 1,80,000
Labour Charges paid	Rs. 55,000
Depreciation on plant	Rs. 20,000
Direct expenses	Rs. 18,000
Materials returned to store	Rs. 3,500
Cash received (80% of work certified)	Rs. 2,40,000
Cost of work uncertified	Rs. 8,000
Materials in hand at the end	Rs. 6,000

Prepare a Contract Account.

**N.B. :** *Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.*

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