

Enrollment No./Seat No.:

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**BBA/MBA INTEGRATED - SEMESTER - II EXAMINATION - WINTER 2025**

**Subject Code: BB02001021**

**Date: 01-12-2025**

**Subject Name: Cost Accounting**

**Time: 02:30 PM to 5:30 PM**

**Total Marks: 70**

**Instructions**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

- |   | <b>Marks</b> |
|---|--------------|
| <b>Q.1</b> ALL 7 Questions must be Compulsory.                                    | <b>14</b>    |
| (a) Define Cost   |              |
| (b) Define Cost centers   |              |
| (c) Define Idle time  |              |
| (d) Define Abnormal loss and abnormal gain  |              |
| (e) Define Codification of Materials  |              |
| (f) Define Job Costing  |              |
| (g) Define Process Costing  |              |
| <b>Q.2 (a)</b> Define cost accounting. Discuss the importance of Cost Accounting. | <b>07</b>    |
| (b) Discuss distinction between Cost and Financial accounting.                    | <b>07</b>    |

**OR**

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|---|-----------|
| (b) Define Material Cost. Discuss different Techniques of Inventory Control.  | <b>07</b> |
| <b>Q.3 (a)</b> A firm has the following items in its inventory. Prepare ABC classification of inventory from the below details. | <b>07</b> |

Item	No. of Units in inventory	Cost price per unit (Rs.)
1	2000	55
2	1000	100
3	3500	12
4	2500	7.20
5	5000	2.72
6	3200	3.20
7	2800	2.20
Total	20000	-

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|---|-----------|
| (b) What is Labour Turnover? Discuss different methods of measurement of labour turnover. | <b>07</b> |
|---|-----------|

**OR**

- (a)** Calculate the earnings of worker X and Y under Taylor's Differential Piece Rate System from the following particulars: **07**  
Standard time: One hour for 100 units  
Normal rate: Rs. 2 per hour  
Differential wage rate to be applied:  
(1) 80% of the piece rate below standard  
(2) 120% of piece rate at or above standard  
In a day of 8 hours X produced 700 units and Y produced 900 units.  
Also compute the wage cost per unit for both the workers.

- (b)** Differentiate between Cost Allocation and Cost Apportionment. **07**

- Q.4 (a)** Explain in brief with example: **07**  
1. Accounting of normal losses  
2. Accounting of abnormal gain  
3. Accounting of joint product and by products.

- (b)** Difference between Process costing and Job costing. **07**

**OR**

- (a)** In a factory 20,000 units of Product X were manufactured in the month of September 2018. From the following figures obtained from the costing records, prepare a Cost Sheet showing the total cost and cost per unit: **07**  
Direct Material Consumed 2,00,000  
Direct Wages 1,60,000  
Other Direct Expenses 40,000  
Factory Overheads 80,000  
Office & Administrative Overheads 60,000  
Selling & Distribution Overheads 60,000

- (b)** The annual inventory requirement of a firm is 30,000 units. The ordering cost is Rs 150 per order. Its carrying cost per unit is Rs 1.20. **07**  
Suppose the ordering quantity is as follows:  
(1) 30,000 units  
(2) 3,000 units  
(4) 15,000 units  
(4) 1,500 units  
(5) 6,000 units  
(6) 750 units  
Determine the following on the basis of above information:  
1. 1. Ordering cost  
2. 2. Carrying cost  
3. 3. Average inventory  
4. 4. Economic ordering quantity.

- Q.5 (a)** Explain characteristics of contract costing in detail. **07**

- (b) ABC Construction Ltd. has obtained a contract for construction of a bridge. The value of the contract is Rs.12 Lakh and the work commenced on 1st October,2020. The following details are shown in the books for the year ended 30th September,2021. 07

Particular	Amount (Rs.)	Particular	Amount (Rs.)
Plant purchases	60,000	Wages Accrued as on 30.9.2021	2,800
Wages paid	3,40,000	Materials at site as on 30.9.2021	4,000
Material issued to site	3,36,000	Direct Expenses accrued as on 30.9.2021	1,200
Direct Expenses	8,000	Work not yet certified at cost	14,000
General Overheads	32,000	Cash received being 80% of work certified	6,00,000

Life of plant purchased is 5 years and scrap value is nil.

Prepare the contract account for the year ended 30th September,2021.

**OR**

- (a) Discuss the feature of operating costing in detail. 07
- (b) A transport company has been given a 40 km long route to run 5 buses. The cost of each bus is 6,50,000 Rs. The buses will make 3 round trips per day carrying on an average 80 percent passengers of their seating capacity. The seating capacity of each bus is 40 passengers. The buses will run on an average 25 days in a month. 07
- The other information for the year 2023-24 are given below:
- Garage rent - 4,000 Rs per month
  - Annual repairs and maintenance - 22,500 Rs each bus
  - Salaries of 5 drivers - 3,000 Rs each per month
  - Wages of 5 conductors - 1,200 Rs each per month
  - Manager's salary - 7,500 Rs per month
  - Road tax, permit fee, etc. - 5,000 Rs for a quarter
  - Office expenses - 2,000 Rs per month
  - Cost of diesel per litre – 33 Rs
  - Kilometre run per litre – 6 km
  - Annual depreciation - 15% of cost
  - Annual Insurance - 3% of cost
- You are required to calculate the bus fare to be charged from each passenger.

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