

1057

Bachelor of Business Administration  
Sixth Semester  
BBA-327: Cost Analysis and Control

Time allowed: 3 Hours

Max. Marks: 80

**NOTE:** Attempt four short answer type questions from Section-A. Attempt two questions each from Section B and C respectively.

x-x-x

**Section – A**

I. Attempt the followings:-

- a) Discuss the advantages of cost Accounting.
- b) What is Break-even point?
- c) What do you understand by labour turnover?
- d) Define variable overheads.
- e) Discuss the advantages of LIFO method of pricing material issue.
- f) What is Zero base budgeting?

(4x5)

**Section – B**

- II. Discuss in brief the various techniques of Inventory control. (15)
- III. What is cost accounting? What are the steps involved in the installation of costing system in a manufacturing unit. (15)
- IV. A company manufactures 5000 units of a product per month. The cost of placing an order is Rs. 100. The purchase price of the raw material is Rs. 10 per kgs. The Re-order period is 4 to 8 Per week. The average consumption is 275 kgs. The carrying cost of inventory is 20%per annum You are required to calculate :
  - a) Economic order quantity
  - b) Re-order level
  - c) Maximum level
  - d) Minimum level
  - e) Average stock level(15)
- V. XYZ company employs five workers at an hourly rate of Rs. 2. During the week they worked for four days for a total of 40 hours each and completed the job for which the standard time was 48 hours for each worker. Calculate the labour cost under the Halsey method and Rowan method of incentive plan payments. (15)

(2)

**Section – C**

- VI. What do you understand by classification, allocation and apportionment in relation to overhead expenses? (15)
- VII. What is budgetary control? State the main objectives and advantages of budgetary control. (15)
- VIII. Meera Industries Limited is a single product organization having a manufacturing capacity of 6000 units per week of 48 hours. The output data vis-a-vis different element of cost for three consecutive weeks are given below :

Units produced	Direct material Rs.	Direct labour Rs.	Total factory overheads (variable and fixed) Rs.
2400	4800	6000	37200
2800	5600	7000	38400
3600	7200	9000	40800

As a cost accountant you are asked by the company management to work out the selling price assuming an activity level of 4000 unit per week and a profit of 20% on selling price. (15)

- IX. XYZ Ltd. manufactures a product ABC by mixing three raw materials. For every 100 kg of ABC, 125 kg raw materials are used. In April 2016 there was an output of 5600kgs of ABC. The standard and actual particulars of April 2016 are as follows:

Raw Materials	Standard		Actual	
	Mix%	Price per Kg.	Mix%	Price per Kg.
I	50	40	60	42
II	30	20	20	16
III	20	10	20	12

Calculate all variances.

(15)

x-x-x