



DALY COLLEGE OF BUSINESS MANAGEMENT

Approved by Higher Education Govt. of (M.P) Affiliated with DAVV Indore

SUBJECT: Business Costing
Assignment questions BBA-III Semester

Attempt any three questions from Section A and any two questions from Section B

SECTION-A

Q1. Discuss the relationship between cost accounting and financial accounting?

Q2. Write short note on:

- a) Cost Centre
- b) Profit Centre
- c) Cost Reduction
- d) Cost Control

Q3. What is Labor Turnover? What are the reasons for Labor Turnover? How is it measured? How do you control Labor Turnover?

Q4. What is Integrated Accounting System? What are its advantages and Limitations?

SECTION-B

Q5. The purchase department of your organization has received an offer of quantity discounts on its order of materials as under:

Price per ton(Rs.)	Tonnes
1200	Less than 500
1180	500 and less than 1000
1160	1000 and less than 2000
1140	2000 and less than 3000
1120	3000 and above

The annual requirement for the material is 5000 tonnes. The delivery cost per order is Rs.1200 and the stock holding cost is estimated at 20% of material cost per annum. You are required to advise the purchase department the most economical purchase level.

Q6. The product of a manufacturing concern passes through two processes 'A' and 'B' and then to Finished stock. It is estimated that in each process 5% of the total weight is lost and 10% is scrap from which Process A realises Rs.70 per ton and Process B Rs.180 per ton respectively.

	Process A	Process B
Material Used in tons	800	80
Cost of Material per ton	100	200

Wages	20,000	10,000
Manufacturing Exp	8,000	4,000
Output in Tons	660	639

Q7. The following information is available is regarding the production of 1000 Scooters by a manufacturing company for the year 2017

Cost of Material	1,60,000	Rent, Rates & Insurance	20,000
Wages	2,40,000	Selling Expenses	60,000
Manufacturing expenses	1,00,000	General Expenses	40,000
Salaries	1,20,000	Sales	8,00,000

The following additional information is supplied to you:

- 1. Price of the materials is expected to rise by 20%**
- 2. Wages rates is expected to rise by 5%**
- 3. Manufacturing expenses will rise in proportion to the combined cost of material and wages.**
- 4. Selling expenses per unit will remain the same.**
- 5. Other expenses will remain unaffected by rise in output.**

The company plans to manufacture 1500 scooters in 2018. You are required to calculate price at which each scooter should be sold to earn 10% profit on the selling price.