

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION: DECEMBER- 2024

SEMESTER - III

Sub.: Cost & Works Accounting (BBA23-314)

Date : 23/12/2024

Total Marks : 60

Time: 2.00 pm to 4.30pm

Instructions: 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. Which of the following best describes "costing"?
 - a) The process of determining total profits earned in a year
 - b) The technique of ascertaining and controlling costs
 - c) Preparing budgets for a financial period
 - d) Allocating fixed assets to departments
2. What is a key criterion for selecting a tender or quotation?
 - a) The lowest price alone
 - b) A combination of cost, quality, and reliability
 - c) The supplier's advertising strategy
 - d) The number of competitors submitting tenders
3. is a key advantage of the JIT (Just-in-Time) system.
 - a) Easier stock replenishment planning
 - b) Simplified supplier relationships
 - c) Reduced carrying costs and waste
 - d) Increased stock levels
4. is the primary purpose of ABC analysis.
 - a) To calculate the optimal reorder quantity
 - b) To identify expired inventory items
 - c) To analyze stock movement trends
 - d) To classify items based on their economic importance
5. items are not recorded in a cost sheet.
 - a) Factory
 - b) Office
 - c) Marketing
 - d) Financial

Q. 2. State True / False (05)

1. A cost center is a department, process, or activity for which costs are accumulated.
 - a) True
 - b) False
2. A tender is a formal offer for large projects, while a quotation is an informal estimate for smaller jobs.
 - a) True
 - b) False
3. LIFO pricing method results in the highest cost of goods issued during inflation.
 - a) True
 - b) False
4. The primary purpose of ABC analysis is to classify items based on their economic importance.
 - a) True
 - b) False
5. Reorder level acts as a warning to place a new order.
 - a) True
 - b) False

Q. 3. Write Short notes on (Any Three) (15)

1. Distinguish between – Financial Accounting & Cost Accountancy
2. Preparation of Estimated Cost Sheet
3. Stock Levels
4. Avoidable causes of Labour Turnover
5. Prime Cost

Q. 4. Answer in detail (Any Two)**(20)**

1. Classify overheads into production, administrative, and selling and distribution categories. Provide examples
2. Harsh Pvt. Ltd. is a leading automobile spare parts manufacturer in Zarkhand. The company provided material consumption pattern. From the given information you are requested to calculate
 - a) EOQ
 - b) Reorder Level
 - c) Maximum Level
 - d) Minimum Level
 - e) Average Level

Monthly demand of a product : 4,000 units

Cost of Placing an order ₹ 60

	Lead Time in weeks	Consumption per day
Average	20	200
Maximum	24	300
Minimum	16	100

3. Amogh Textile is located at Mumbai. The company sources its raw materials from Maharashtra and stores them in a dedicated warehouse. To ensure uninterrupted production, it maintains sufficient stock levels. However, due to a sudden urgent order, the inventory was depleted by the end of the month. Below is a summarized record of raw material transactions:

Date	Particulars	Quantity	Rate (₹)
March 1	Purchased	10,000	100
March 5	Purchased	1,600	200
March 7	Issued	5,000	----
March 12	Purchased	1,000	500
March 18	Issued	2,000	----
March 22	Purchased	3,000	150
March 28	Issued	600	----

The internal audit conducted for March revealed discrepancies in the inventory records. The management has assigned you, as the accounts executive, to properly maintain the inventory records using the First-In, First-Out (FIFO) method.

4. Veehan Ltd., Pune is a manufacturer of stationery. The company wishes to revise their salary and incentives plan. You are requested to help company by calculating salary payable under
 - 1) Halsey Premium Plan
 - 2) Rowan Premium PlanWeekly Working Hours 48
Hourly wage rate ₹ 400
Normal Time Taken Per Unit 1 Hour
Normal Output Per Week 40 units
Actual Output for a Week 50 units

- Q. 5.** The following information pertains to Gururaj Manufacturing Ltd. for the month of November 2024. Using this data, prepare a Cost Sheet that includes Prime Cost, Factory Cost, Cost of Production, Total Cost, and Profit. Ensure the Selling and Distribution Overheads are incorporated separately in the Total Cost calculation. **(15)**

Particulars	Amount (₹)
Raw Materials Purchased	5,00,000
Administrative Salaries	1,50,000
Closing Stock of Finished Goods	1,00,000
Closing Stock of Raw Materials	50,000
Depreciation on Factory Machinery	75,000
Depreciation on office furniture	62,500
Direct Expenses	50,000
Direct Wages	3,75,000
Distribution Expenses	37,500
Electricity bill of office	75,000
Factory Lighting	25,000
Factory Rent	1,00,000
Freight on Raw Materials	25,000
Indirect Materials	37,500
Office Expenses	62,500
Opening Stock of Finished Goods	1,25,000
Opening Stock of Raw Materials	75,000
Sales	17,50,000
Selling Expenses	87,500
