

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)(071)/
BBA IN SPORTS MANAGEMENT (472)
EXAMINATION: DECEMBER - 2024
SEMESTER - III
Sub.: Cost & Works Accounting (BBA22-313)

Date : 20/12/2024**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. What is a cost center?

a) A profit-generating division of a company	b) The central office managing company expenses
c) A department, process, or activity for which costs are accumulated	d) The accounting department handling cost sheets
2. What is the key difference between a tender and a quotation?

a) A tender is a formal offer for large projects, while a quotation is an informal estimate for smaller jobs	b) A quotation is legally binding, while a tender is not
c) A tender is used for individual clients, while a quotation is used for government	d) There is no difference between a tender and a quotation
3. In the FIFO method of material pricing, which material is issued first?

a) The newest material in stock	b) The most expensive material
c) The least expensive material	d) The oldest material in stock
4. is the purpose of cost classification.

a) To determine the selling price of a product	b) To calculate financial profits
c) To group costs based on their nature, behaviour, or purpose	d) To monitor inventory levels
5. is the significance of identifying slow-moving and non-moving items.

a) To reduce unnecessary inventory holding costs	b) To increase purchase orders for these items
c) To prioritize their use over fast-moving items	d) To calculate EOQ more effectively

Q. 2. State True / False (05)

1. The technique of ascertaining and controlling costs is termed as Costing.

a) True	b) False
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2. ECS is the optimal order quantity that minimizes total inventory costs.

a) True	b) False
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3. Compensation paid to employees for their labour or services is termed as wages.

a) True	b) False
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4. Piece Wage method of remuneration pays employees based on the time worked.

a) True	b) False
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5. Prime Cost plus Factory Overheads is equals to Total Cost.

a) True	b) False
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Q. 3. Write Short notes on (Any Three)**(15)**

1. Objectives of Cost Accounting
2. Difference between Tender and Quotation
3. Need of Material Control
4. Unavoidable causes of Labour Turnover
5. Factory Overheads

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

1. Discuss the objectives of costing in detail and elaborate on how it differs from financial accounting.
2. Malhar Rao 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 : 2,000 units

Cost of Placing an order ₹ 30

	Lead Time in weeks	Consumption per day
Average	10	100
Maximum	12	150
Minimum	8	50

3. Barkha Ltd. is located at Surat, manufacturing wooden tales. The company sources its raw materials from Gujratand 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 (₹)
April 1	Purchased	6,000	200
April 5	Purchased	1,000	300
April 7	Issued	5,000	----
April 12	Purchased	2,000	500
April 18	Issue	2,000	----
April 22	Purchased	4,000	250
April 28	Issued	600	----

The internal audit conducted for April 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. Falguni 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 ₹ 200
Normal Time Taken Per Unit 40 minutes
Normal Output Per Week 60 units
Actual Output for a Week 75 units

- Q. 5.** The following information pertains to Narmada 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 (₹)
Administrative Salaries	90,000
Closing Stock of Finished Goods	60,000
Closing Stock of Raw Materials	30,000
Depreciation on Factory Machinery	45,000
Depreciation on office furniture	37,500
Direct Expenses	30,000
Direct Wages	2,25,000
Distribution Expenses	22,500
Electricity bill of office	45,000
Factory Lighting	15,000
Factory Rent	60,000
Freight on Raw Materials	15,000
Indirect Materials	22,500
Office Expenses	37,500
Opening Stock of Finished Goods	75,000
Opening Stock of Raw Materials	45,000
Raw Materials Purchased	3,00,000
Sales	10,50,000
Selling Expenses	52,500
