

TILAK MAHARASHTRA VIDYAPEETH, PUNE

BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION : DECEMBER - 2024

SEMESTER - IV

Sub. : Cost & Management Accounting (BBA15- 412)

Date : 28/12/2024

Total Marks : 60

Time: 2.00pm 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. _____ is the primary objective of cost accounting.
 - a) To comply with statutory regulations
 - b) To ascertain costs, control costs, and assist in decision-making
 - c) To record and report financial transactions
 - d) To prepare tax statements
2. _____ is the main purpose of a cost sheet.
 - a) To determine the total cost of a product or service
 - b) To calculate profit margins
 - c) To record all financial transactions
 - d) To comply with legal requirements
3. _____ is the primary objective of material control.
 - a) To minimize inventory levels
 - b) To ensure an uninterrupted flow of materials at the lowest cost
 - c) To maximize supplier profits
 - d) To maintain maximum stock levels
4. Delivery cost is controlled by _____.
 - a) Production Department
 - b) Sales Department
 - c) Purchasing Department
 - d) None of the given
5. Depreciation of a machinery is a part of _____.
 - a) Prime Cost
 - b) Sales Overheads
 - c) Factory Overheads
 - d) None of the given

Q. 2. State True / False (05)

1. Cost Unit is a measurable variable of a product or a service for which costs are ascertained.
 - a) True
 - b) False
2. Depreciation of machinery is an example of a fixed cost.
 - a) True
 - b) False
3. Production department is responsible for procuring materials in an organization.
 - a) True
 - b) False
4. Indirect Material can be recorded in Factory Overheads.
 - a) True
 - b) False
5. If total cost is less than sales it results in Profit.
 - a) True
 - b) False

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

1. Cost Accounting
2. Need and essentials of Material Control
3. Meaning and definition of wages
4. Cost Unit
5. Classification of Cost

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

1. The following information prepare a cost sheet for the year ended 31st March 2023.

Particulars	Amt. Rs.
Cost Direct Material	10,00,000
Bad debts written off	5,000
Carriage Outward	12,500
Cost of special patterns	20,000
Direct Wages	5,00,000
Factory Indirect Material	5,000
Factory Indirect Wages	15,000
Factory Rent and Insurance	25,000
General Works Overheads	10,000
Interest on Loan	10,750
Office Indirect Materials	25,000
Outstanding Chargeable Expenses	10,000
Postage and Telegrams	10,000
Printing and Stationery	2,500
Royalties	40,000
Sales	20,00,000
Selling on cost	20,000
Travelling salesman's salary	20,000

2. From the following calculate

- a) Reorder Level
- b) Maximum Level
- c) Minimum Level
- d) Average Level
- e) Danger Level

Maximum days required for emergency purchases : 16 days

Ordering Quantity : 800 units

	Lead Time in days	Consumption per day
Average	40	60
Maximum	60	80
Minimum	24	40

3. Explain the concept of Economic Order Quantity (EOQ) and its assumptions.

- Q. 5.** Kanha & Company is engaged in manufacturing components required for three and four wheeler vehicles. The company purchases raw material from local market and stores the same in its warehouse. It keeps adequate stock to ensure smooth production operations. Due to sudden urgent order, the inventory went out of stock at the end of the month. Following is the summarized information related to the raw material purchased by the company. (15)

January	Particulars	Quantity	Rate
1	purchased	2000	100
6	purchased	300	120
7	issue	1,200	----
10	purchased	200	480
15	Returned back	1,000	----
20	purchased	300	220
27	issue	200	----

The internal auditors after conducting the audit for the first quarter have observed that the inventory records were not properly maintained by the company. The management of the company wants you, the accounts executive to maintain the inventory records properly under first in first out method.
