

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)(071)/
BBA IN SPORTS MANAGEMENT (472)
EXAMINATION: MAY - 2025
SEMESTER - III
Sub.: Cost & Works Accounting (BBA22-313/BBA23-314)

Date :29/05/2025**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. _____ method of remuneration pays employees based on the time worked.
 - a) Piece rate system
 - b) Taylor's differential piece rate system
 - c) Time rate system
 - d) Group bonus scheme
 2. _____ is an example of selling and distribution expenses.
 - a) Advertising
 - b) Factory rent
 - c) Depreciation of Machinery
 - d) All of the given
 3. What 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. Which of the following is NOT a classification of costs?
 - a) Fixed and Variable Costs
 - b) Direct and Indirect Costs
 - c) Historical and Budgeted Costs
 - d) Revenue Costs
 5. 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
- Q. 2. State True / False (05)**
1. A Cost Centre is any department, process, or activity for which costs are accumulated.
 - a) True
 - b) False
 2. A tender is more organized than a quotation.
 - a) True
 - b) False
 3. Factory Overheads include all the indirect expenses incurred in production process.
 - a) True
 - b) False
 4. In centralized purchase system the control of purchase is with only one department.
 - a) True
 - b) False
 5. Just in Time assist in reducing cost of material.
 - a) True
 - b) False
- Q. 3. Write Short notes on (Any Three) (15)**
1. Objectives of Cost Accounting
 2. Cost Classification
 3. Need and essentials of Material Control
 4. Material Accounting
 5. Effects of Labour Turnover

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

1. Justify the statement “Incentive wage payments results in increased productivity.”
2. Speed Auto Pvt. Ltd. is a reputed manufacturer of automobile spare parts in Maharashtra. The company has provided its material consumption pattern.
Monthly Demand: 50,000 units , Cost of Placing an Order: ₹750, Carrying Cost per unit per annum: ₹12

Lead Time in weeks Average: 220 Maximum: 270 Minimum: 180	Consumption per day: Average: 2,500 Maximum: 3,500 Minimum: 1,500
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Using the given information, calculate the following:

1. EOQ (Economic Order Quantity)
 2. Reorder Level
 3. Maximum Level
 4. Minimum Level
 5. Average Level
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3. Titan Industries Pvt. Ltd. is a manufacturer of precision components for heavy machinery in Karnataka. The company procures its raw materials from local suppliers and stores them in a centralized warehouse. To maintain smooth production, it ensures optimal stock levels. However, due to a large unexpected order, the inventory was significantly reduced by the end of the month. Below is a summarized record of raw material transactions:

Date	Particulars	Quantity	Rate (₹)
March 1	Purchased	6,000	200
March 4	Purchased	1,000	250
March 8	Issued	3,500	----
March 14	Purchased	700	1,200
March 20	Returned back	1,200	----
March 25	Purchased	900	500
March 30	Issued	700	----

An internal audit for March uncovered inconsistencies in inventory records. As the accounts executive, management has tasked you with accurately maintaining the inventory records using the First-In, First-Out (FIFO) method.

4. Alpha Papers Pvt. Ltd., Bengaluru, is a manufacturer of office supplies. The company is in the process of revising its salary and incentive structure.

Given Data:

- Weekly Working Hours: 50
- Hourly Wage Rate: ₹350
- Normal Time Taken Per Unit: 18 minutes
- Normal Output Per Week: 130 units
- Actual Output for a Week: 170 units

Management has requested your assistance in calculating the salary payable under the following wage incentive plans:

1. Halsey Premium Plan
2. Rowan Premium Plan

- Q. 5.** The following information pertains to Zenith Manufacturing Pvt. Ltd., for the month of August 2024 **(15)**

Particulars	Amount (₹)
Administrative Salaries	1,75,000
Closing Stock of Finished Goods	1,25,000
Closing Stock of Raw Materials	60,000
Depreciation on Factory Machinery	85,000
Depreciation on Office Furniture	70,000
Direct Expenses	60,000
Direct Wages	4,25,000
Distribution Expenses	42,500
Electricity Bill of Office	80,000
Factory Lighting	30,000
Factory Rent	1,20,000
Freight on Raw Materials	30,000
Indirect Materials	45,000
Office Expenses	70,000
Opening Stock of Finished Goods	1,50,000
Opening Stock of Raw Materials	90,000
Raw Materials Purchased	6,00,000
Sales	19,50,000
Selling Expenses	95,000

Using this data, prepare a Cost Sheet that includes:

1. Prime Cost
2. Factory Cost
3. Cost of Production
4. Total Cost
5. Profit
