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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)(071)/
B.Sc IN BUSINESS ADMINISTRATION(B.Sc.BA) (755)

EXAMINATION: MAY - 2026

SEMESTER - III

Sub.: Cost & Works Accounting (BBA23-314/BBA24-314/BSBA24-314)

Date : 22/05/2026 **Total Marks : 60** **Time: 2.00 pm o 4.30 pm**

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

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

- Which of the following best describes a Cost Centre?
 - Unit of output
 - Location where costs are incurred
 - Total cost of production
 - Selling price of product
- Which of the following is a variable cost?
 - Factory rent
 - Manager's salary
 - Direct material
 - Insurance
- EOQ aims to
 - Maximize profit
 - Minimize total ordering and carrying cost
 - Increase stock level
 - Reduce production
- Which method assumes materials issued from latest purchases?
 - FIFO
 - LIFO
 - Weighted average
 - Standard costing
- Labour turnover is measured to.....
 - Increase wages
 - Control labour cost
 - Evaluate workforce stability
 - Increase production

Q. 2. State True / False (05)

1. Fixed costs change with production level.
a) True
b) False
2. Cost accounting helps in decision making.
a) True
b) False
3. EOQ reduces inventory cost.
a) True
b) False
4. FIFO method issues oldest stock first.
a) True
b) False
5. Idle time is productive time.
a) True
b) False

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

1. Cost Classification
2. Inventory Control Techniques
3. Labour Turnover – Causes and Effects
4. Time Rate vs Piece Rate System
5. Objectives of Cost Accounting

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

1. Explain in detail how Cost Accounting is different than Financial Accounting?
2. Amey Engineering provided the following information relates to material
Annual consumption: 18,000 units
Cost per order: ₹ 80
Purchase price per unit: ₹ 25
Carrying cost: 12% p.a. of unit price
Lead time: Minimum 3 days, Maximum 9 days, Average 5 days
Daily consumption: Minimum 40 units, Maximum 80 units, Average 50 units

Calculate:

- a) Economic Order Quantity (EOQ)
 - b) Reorder level (using average lead time)
 - c) Maximum stock level
 - d) Minimum stock level
 - e) Average stock
3. Sangeeta Pvt. Ltd. is manufacturing office furniture. The company provided following material transactions during March 2026. Prepare a Stores Ledger Account using FIFO (First In First Out) method and show closing balance.
Opening Stock March 1: 1000 units @ ₹ 15 per unit
Purchases:
 - a) March 2: 1200 units @ ₹ 12 per unit
 - b) March 15: 2000 units @ ₹ 11 per unit
 - c) March 20: 1000 units @ ₹ 16 per unit
 - d) March 22 : 1500 units @ ₹ 14 per unitIssues:
 - a) March 5: Issued 1500 units
 - b) March 16: Issued 1400 units
 - c) March 25: Issued 900 units
 - d) March 30: Issued 700 units
 4. Elaborate various techniques of wage payments with suitable examples.

Q. 5. Star Pvt. Ltd. manufactures operates from c. For the month of July 2025 it produced 1,200 units. The following particulars are available: (15)

Direct materials: ₹ 50,000	Office salaries: ₹ 6,000
Direct wages: ₹ 30,000	Office rent: ₹ 4,100
Direct expenses: ₹ 4,000	Stationery & office sundries: ₹ 700
Indirect wages: ₹ 6,000	Depreciation on office equipment: ₹ 1,500
Factory rent: ₹ 15,000	Selling expenses (commission): ₹ 6,000
Power & fuel: ₹ 4,000	Advertising: ₹ 4,000
Depreciation — machinery: ₹ 2,000	Packing: ₹ 2,000
Factory insurance: ₹ 1000	Freight outward: ₹ 3,000

Prepare a Cost Sheet showing:

- a) Prime Cost
- b) Works/Factory Cost
- c) Cost of Production
- d) Cost of Sales
- e) If the company wishes a profit margin of 25% on Cost, calculate the selling price.
