

TILAK MAHARASHTRA VIDYAPEETH, PUNE

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

EXAMINATION : DECEMBER - 2023

SEMESTER - IV

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

Date : 21/12/2023

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. records costs in different categories to find profit or loss at the end.

a) Cost sheet	b) Prime cost
c) Direct wages	d) Direct materials
2. costs are Variable in long term.

a) All the	b) Only Fixed
c) Factory	d) Office
3. Cost Accounting is an extension to

a) Economics	b) Marketing
c) Financial Accounting	d) None of the given
4. Advertisement cost is controlled by

a) Production Department	b) Sales Department
c) Sales Department	d) None of the given
5. Factory lighting 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. Average stock level ensures safety in operations.

a) True	b) False
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2. Tender is smart way to select most favorable supplier.

a) True	b) False
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3. Royalty is a part of factory overheads.

a) True	b) False
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4. Direct Material can be recorded in selling and distribution overheads.

a) True	b) False
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5. If total cost is more than sales it results in Profit.

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

1. Cost Units
2. Factory Cost v/s Prime Cost
3. First in First Out
4. EOQ
5. Cost Classification

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	4,00,000
Sales	8,00,000
Direct Wages	2,00,000
Office Indirect Materials	10,000
Cost of special patterns	8,000
Postage and Telegrams	4,000
Factory Rent and Insurance	10,000
Outstanding Chargeable Expenses	4,000
Carriage Outward	5,000
Interest on Loan	4,300
Printing and Stationery	1,000
Factory Indirect Wages	6,000
Selling on cost	8,000
Travelling salesman's salary	8,000
Factory Indirect Material	2,000
Royalties	16,000
General Works Overheads	4,000
Bad debts written off	2,000

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 : 8 days
Ordering Quantity : 400 units

	Lead Time in days	Consumption per day
Average	20	30
Maximum	30	40
Minimum	12	20

3. Explain in detail the difference between Financial Accounting and Cost Accounting

Q. 5. Case study

(15)

Suvarnayug & 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. In July, 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.

January	Particulars	Quantity	Rate
1	purchased	4000	1000
6	purchased	600	1200
7	issue	2,400	----
10	purchased	400	4,800
15	Returned back	2,000	----
20	purchased	600	2,200
27	issue	400	----

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. The management wants you to prepare the records under first in first out as well as weighted average method of preparing the stock.