# TILAK MAHARASHTRA VIDYAPEETH, PUNE BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.) / (BBA IN SPORTS MANAGEMENT) EXAMINATION: DECEMBER-2023 <br> SEMESTER- III 

Sub.: Cost and Works Accounting (BBA22-313)

| Date $:$ 14/12/2023 | Total Marks : 60 | Time: 10.00 am To 12.30 pm |
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Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.
Q. 1. Choose the most appropriate option.

1. The storekeeper should initiate a purchase requisition when stock reaches $\qquad$
a)Average stock level
b) Minimum stock level
c) Maximum stock level
d) Re-order Level
2. The time period between placing an order its receipt in stock is known as $\qquad$
a)Lead Time
b) Idle Time
c) Over time
d) None of the given
3. departments.
a) Material Requisition
b) Evaluation Requisition
c) Purchase Requisition
d) None of the given
4. $\qquad$ .isainventory valuation methods shows higher profits during the period of rising prices.
a) FIFO
b) LIFO
c) Average
d) None of the given
5. Price is an important consideration for accepting a $\qquad$ but not the sole consideration.
a) Tender
b) Employee
c) Cost Sheet
d) None of the given
Q. 2. State True / False
6. The Term Minimum Level Represents, quantity below which the stock of any item should not be allowed to fall.
a) True
b) False
7. Prime Cost plus factory overheads is equal to Works Cost.
a) True
b) False
8. Plastic used for manufacturing a pen can be considered as Direct Cost
a) True
b) False
9. Idle time is the time foe which wages are paid but no output is given by a labour.
a) True
b) False
10. Cost Unit for college is a student.
a) True
b) False

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

1. Criteria to select a tender
2. Reasons of Labour Turnover
3. Difference between Financial Accounting \& Cost Accounting
4. Fixed Cost v/s Variable Cost
5. Importance of Material Control

## Q. 4. Answer in detail (Any Two)

1. On $1^{\text {st }}$ March 2023 the stock of a component in the stores was 500 units @ Rs. 30 per unit. During three months the receipts and issues were as follows:
Receipts:
1 March : 400 units @ Rs. 40 per unit
5 April : 500 units @ Rs. 50 per unit
9 May: 600 units @ Rs. 60 per unit
Issues
2 March : 300 units
7 April : 400 units
10 May : 500 units
Prepare a stores ledger under FIFO method.
2. From the following information calculate
a) Reorder Quantity (EOQ)
b) Re-order Level
c) Maximum Stock Level
d) Maximum Stock Level
e) Average Stock Level

Total cost of purchasing relating to the order Rs. 100
Number of units to be produced during the year : 25,000 units
Purchase price including transport cost : Rs. 250 Per unit
Annual Carrying cost per unit : Rs. 25
Lead Time in days :
Average 50 Maximum 75 Minimum 25
Rate of consumption per day in units :
Average 75 Maximum 100 Minimum 50
3. In ChetanaCo. the standard time allowed to produce an article is fixed at 15 hours and the wage rate is Rs. 600 per hour. Amit has completed 30 articles in 400 hours calculate total wages under
i) Halsey Premium Plan
ii) Rowan Premium Plan
Q. 5. Arnav Ltd. is a manufacturer of Steel Furniture at Pune. The cost accountant provided the following information for the year ending $31^{\text {st }}$ March, 2023. It is the practice of a company to apply $30 \%$ profit on cost to calculate sales price.

| Particulars | Amount <br> Rs. | Particulars | Amount <br> Rs. |
| :--- | ---: | :--- | ---: |
| Opening Direct Materials | $2,00,000$ | Carriage Outward | 5,000 |
| Bad Debts | 8,000 | Factory Exp. | 6,000 |
| Consumable Stores | 4,000 | Lighting: Factory | 12,000 |
| Depreciation of <br> Machinery | 8,000 | Lighting: Office | 1,600 |
| Depreciation on Office <br> furniture | 4,000 | Managers Salary | 18,000 |
| Direct Expenses | 42,000 | Office Printing And Stationary | 2,000 |
| Direct Wages | 160,000 | Purchases of Raw Material | 120,000 |
| Directors Fees | 6,000 | Rent: Factory | 20,000 |
| Electric Power | 14,000 | Rent: Office | 12,000 |
| Indirect Wages | 20,000 | Salesman's salary | 30,000 |
| Lubricant | 1,200 | Selling Expenses | 16,000 |
| Oil And Waste | 2,000 | Telephone Charges | 3,200 |
| Postage And Telegraph | 2,000 | Travelling Expenses | 4,000 |

You are require to calculate
a. Prime Cost
b. Works Cost
c. Cost of Production
d. Total Cost
e. Profit

