

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION: MAY- 2024

SEMESTER - III

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

Date : 28/05/2024

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. Cost Accounting helps planning for future operations in such a way as to.....
 - a) Maximise the profit
 - b) Minimize Income
 - c) Maximise the cost
 - d) None of the given
2. In FIFO method of closing stock is recorded
 - a) at latest price
 - b) at lowest price
 - c) at average price
 - d) None of the given
3.is the application of costing and cost accounting principles, methods and techniques.
 - a) Cost Accountancy
 - b) Costing
 - c) Financial Accounting
 - d) Economics
4. Tender is anfor large scale.
 - a) estimation of cost
 - b) estimation of units
 - c) Recording of cost
 - d) Ignoring Fixed Cost
5. Which of the following are not the limitations of Financial Accounting?
 - a) Profit calculation
 - b) Recording of cost
 - c) a and b both
 - d) None of the given

Q. 2. State True / False (05)

1. The quantity of material to be ordered at one time is known as EOQ.
 - a) True
 - b) False
2. Bin card is a record of quantity only.
 - a) True
 - b) False
3. Raw material can be recorded as an inventory
 - a) True
 - b) False
4. The storekeeper should initiate a purchase requisition when stock reaches at Maximum Level.
 - a) True
 - b) False
5. Codification is a process of representing each item by a number, the digit of which indicates the group, the sub-group, the type and the dimension of the item.
 - a) True
 - b) False

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

1. Difference between FIFO and LIFO
2. Stock Levels
3. Cost Classification
4. Reasons of Labour Turnover
5. Cost Sheet

Q. 4. Answer in detail (Any Two)

(20)

1. What are the criteria's to select a tender?
2. The receipts and issues of Steel Article for the month of March, 2024 were as given below –

Date	Particulars	No.	Rate
1	Opening stock	60	50
3	Receipts	300	55
15	Issues	250	-
20	Receipts	525	40
21	Issues	660	-
23	Receipts	680	35
28	Issues	340	-
30	Issues	200	-

The issues were charged on the principle of FIFO. Show Stores A/c as it would appear in the Stores Ledger.

3. Stock level means the level of stock required for an efficient and effective control of goods, to avoid over-and under-stocking of goods. The need of inventory control is to maintain the stock of goods as low as possible but at the same time make them available as and when required. ABC Ltd manufactures a product and the following particulars are collected for the year ended March, 2020.

Particulars	Material A
Monthly units	275
Cost of placing an order (Rs.)	125
Annual carrying cost (Rs. Per unit)	22
Normal usage (units per week)	60
Minimum usage (units per week)	35
Maximum usage(units per week)	80
Re-order period (weeks)	4-6

As a Commerce student, You are required to help the management in deciding the various tock levels for both the materials:

- a. Economic Order quantity (EOQ)
 - b. Re-order level
 - c. Minimum level
 - d. Maximum level
 - e. Average stock level
4. Calculate wages for Mr. Sumedh under Rowan's Premium Plan
Rate per hour Rs. 100
Time allowed for manufacturing one piece of finished goods is 5 hours
Mr. Sumedh manufactured 200 units in 900 hours.

Q. 5. Case study**(15)****Cost sheet**

Bobby Fashions, Mumbai provided the following information for the period ending on 31st March, 2024

Particulars	Rs.	Particulars	Rs.
Raw Material Purchased	2,50,000	Material Used In Production	1,70,000
Opening Stock of Raw Material	50,000	Closing Stock of Raw Material	38,000
Carriage Outward	9,000	Power And Fuel	5,000
Consumable Stores	3,000	Printing And Stationery	3,000
Postage And Telegram	1,500	Audit Fees	5,500
Advertisement	10,000	Productive Wages	1,40,000
Royalties	12,000	Chargeable Expenses	16,000
Salesman Commission	3,800	Bad Debts	2,000
Lubrication	2,500	Factory Manager's Salary	12,000
Depreciation on Machinery	7,500	Depreciation on Delivery Van	3,000
selling expenses	4,500	Gas and Water	3,500
purchase returns	3,500	selling expenses	5,000
exhibition charges	2,900	insurance on furniture	5,000

Prepare a cost sheet. Calculate the percentage of profit on cost @20%. Use the proper format.
