

BBA-303

Basic Costing

Bachelor of Business Administration

(BBA-10/12/16/17/BBAH-II)

3rd Semester, Examination 2019

Time : 3 Hours

Maximum Marks : 80

Note : This paper is of Eighty (80) marks divided into three (03) sections. Learners are required to attempt the questions contained in these sections according to the detailed instructions given therein.

Section –A

(Long Answer Type Questions)

Note : Section 'A' contains four (04) long answer type questions of Nineteen (19) marks each. Learners are required to answer any two (02) questions only.
(2x19=38)

1. "Cost accounting is a branch of financial accounting and it has been evolved to do away the limitations of financial accounting and to meet the needs of management." Comment.

2. What is meant by an 'incentive plan' in the remuneration of labour? Explain these plans in brief.
3. What are the objects of material control? State briefly the various methods for pricing the issue of materials. Also, discuss the merits, demerits and suitability of each method.
4. What is meant by 'Overhead Expenses'? Give various methods of absorbing overhead and discuss any two of these in details giving their merits and demerits.

Section – B

(short-answer- type Questions)

Note : Section 'B' contains eight (08) short –answer type questions of Eight (08) marks each. Learners are required to answer four (04) questions only.

(4x8=32)

1. What is a cost centre? How does it differ from profit centre?

2. Prepare a statement of cost from the following particulars for the year 2017 showing the percentage that each individual item of cost bears to the total cost:

	Rs.
Opening Stock of Raw Materials	30000
Purchase of Raw Materials	40000
Closing stock of Raw Materials	20000
Direct Wages	20000
Factory Overheads	10000
Office and administration Overhead	8000

3. Discuss various types of material wastages. How they are treated in accounting?
4. Total cost per unit is different in variable and fixed overheads. Why?
5. Discuss the importance of inventory control.
6. What do you understand by A,B,C analysis? What are its advantages?
7. Give six items which are not shown in cost accounting.
8. Distinguish between 'Normal ' and Abnormal' idle time.

Section –C
(Objective-type-questions)

NOTE : Section 'C' contains ten (10) objective - Type questions of one (01) mark each. All the questions of this section are compulsory. (10x1=10)

Write True/False against the following;

1. Income tax is included in office and administrative expenses.
2. Allotment of overheads to cost units is known as absorption.
3. If profit is 25% of cost, then it will be 20% of sales.
4. Escalation clause in a contract provides that the contract price is fixed.
5. Abnormal loss is spread on good units of production.

Fill in the Blanks:

6. Total cost = cost of production +
7. Material should be issued by the storekeeper against
8. Wage sheet prepared by.....
9. Foreman's salary is a part of.....

Answer the following question in one or two words or sentences.

10. What are included in prime cost?
