

**A-0820**

**Total Pages : 4**

**Roll No. -----**

**BBA-303**

**Basic Costing**

Bachelor of Business Administration (BBA)

3<sup>rd</sup> Semester Examination 2024(Dec.)

Time: 2:00 hrs

Max. Marks: 70

Note : This paper is of Seventy (70) marks divided into Two (02) Section A and B. Attempt the questions contained in these sections according to the detailed instructions given therein. Candidates should limit their answers to the questions on the given answer sheet. No additional (B) answer sheet will be issued.

P.T.O.

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## **Section-A**

### **(Long-Answer-Type Questions)**

Note : Section 'A' contains Five (05) long-answer-type questions of Nineteen (19) marks each. Learners are required to answer any Two (02) questions only.

[2x19=38]

- Q.1. Explain the objectives of cost accounting and discuss its importance in modern business.
- Q.2. Define and elaborate on the following inventory levels: reorder level, EOQ, minimum level, maximum level, and danger level.
- Q.3. Describe the process of absorption of overheads and discuss the consequences of under-absorption and over-absorption.
- Q.4. Define process costing and discuss its key features. How does it differ from job costing?
- Q.5. A company maintains inventory using the FIFO method. Below are the inventory transactions for the month of December 2023:

Opening Stock (December 1): 400 units @ ₹ 10 each.

Purchases:

- December 3: 300 units @ ₹ 12 each
- December 10: 500 units @ ₹ 14 each
- December 20: 200 units @ ₹ 15 each

Issues:

- December 5: 250 units
- December 12: 400 units
- December 22: 300 units

Calculate the cost of inventory issued on December 5, December 12, and December 22 using the FIFO method. Also, calculate the closing inventory at the end of December 2023.

### **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 any Four (04) questions only.

[4x8=32]

Q.1. Difference between cost accounting and financial accounting.

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- Q.2. What factors should be considered while installing a costing system?
- Q.3. Define material control and state its objectives.
- Q.4. How can idle time and overtime be treated and controlled in cost accounting?
- Q.5. Differentiate between under-absorption and over-absorption of overheads.
- Q.6. What are the consequences of incorrect overhead allocation?
- Q.7. What are the key features of contract costing? Provide a brief example.
- Q.8. Define process costing and describe its relevance in manufacturing.

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