SET-2

INDIRA UNIVERSITY, PUNE

SCHOOL OF COMMERCE AND ECONOMICS- BCOM

Backlog Examination (2025 Pattern) April/ May – 2026 - Semester – I

Subject Name: Cost and Works Accounting-I **Max. Marks: 50**
Subject Code: 25COM131T **Time: 2:30 Hrs.**

Instructions

- All the Questions are compulsory.
- Figures to the right indicates full marks.
- Use of Calculator is allowed.

CO #	Cognitive Ability	Course Outcome
CO1	**Remember**	Remember the basic concepts, objectives and procedures of Cost Accounting, including cost elements, purchase process and inventory control.
CO2	**Understand**	Understand the fundamental principles and components of Cost Accounting, including cost elements and inventory management.
CO4	**Analyse**	Analyse different methods of inventory control, including stock levels, EDQ, ABC analysis, perpetual inventory and physical verification for efficient material management.
CO5	**Evaluate**	Evaluate the significance of the inventory Turnover Ratio in measuring efficiency and effectiveness of inventory management.
CO6	**Create**	Create and present cost statement by systematically classifying and summarising material, labour and other expenses to determine total and per-unit cost accurately.

Q1.	**Choose the correct option. (Attempt Any 6 out of 8) (6 Marks)** 1. **Cost Accounting has been developed out of the limitations of __________ Accounting.** a) Management b) Government c) Financial d) Tax **2. Cost Accounting has become an essential __________ of management.** a) Tool b) Problem c) Waste d) Burden **3. ______ cost vary in direct proportion to volume of output or turnover.** a) Fixed b) Variable c) Semi-variable d) Total **4. Haulage is an item of ______ overheads.** a) Factory b) Office c) Selling d) Distribution **5. A ______ is a contractual document which authorises the supplier to supply the material.** a) Invoice b) Purchase Order c) GRN d) Bill	CO1

	6. A purchase order should be carefully prepared as it forms a basis of ______ contract. a) Legal b) Verbal c) Mutual d) Purchase 7. The important purpose of ______ level is to avoid blocking up of capital unnecessarily on materials. a) Reorder b) Minimum c) Maximum d) Danger 8. Reorder point is lower than the ______ level to avoid excess stock. a) Maximum b) Danger c) Average d) Minimum	
Q2.	**Write Short Notes. (Attempt Any 2 out of 3)** **(8 Marks)** 1. Cost Unit 2. Objectives of purchase department 3. Materials Inspection Note	CO2
Q.3	Utkarsh Ltd., Shrinagar uses certain raw material for a particular product for which the following information is available. **(12 Marks)** Economic Ordering Quantity: 900 units. Rate of consumption per week : Normal 25 units Maximum 35 units Minimum 15 units Delivery Period Minimum 20 weeks Normal 25 weeks Maximum 30 weeks **Calculate:** a) Reorder Level , b) Maximum Level c) Average Stock level. d) Minimum Level	CO4
Q. 4	The following information is available from the books of Girikant Enterprises for the year 2025: **(12 Marks)**	CO5

Particulars	Material A	Material B
Materials in hand on-		
Opening stock	2000	3000
Closing stock	3000	3500
Materials Purchased during the year	26000	7000

Calculate the inventory turnover ratio and determine which material is fast moving.

Q.5	The following details relate to Samsung Ltd., Pune for the year ending 31st March 2023: **(12 Marks)**	CO6

Particulars	Amount (₹)
Sales	92000
Purchases of Raw Material	40000
Opening Stock of Raw Material	8000
Closing Stock of Raw Material	6000
Direct Wages	19000
Productive Wages	3000
Carriage Inward	1800
Factory Lighting	1400
Factory Power	2800
Factory Rent	4000
Depreciation on Machinery	2500
Office Rent	3200
Office Expenses	2600
Managerial Salaries	5000
Salesman Commission	3500
Carriage Outward	2000
Advertisement	2500
Bad Debts	800

Prepare a Cost Sheet showing:

1. Cost of Material Consumed
2. Prime Cost
3. Factory Cost
4. Cost of Production
5. Cost of Goods Sold
6. Total Cost
7. Profit / Loss

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