

INDIRA UNIVERSITY, PUNE

SCHOOL OF COMMERCE AND ECONOMICS- B.COM.

Term End Examination (2025 Pattern) December – 2025 - Semester – I

Subject Name: Cost and Works Accounting-I
Subject Code: 25COM131T

Max. Marks: 50
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)

- _____ is the price paid for something.
a) Profit b) Cost c) Income d) Loss
- Cost Accounting helps the management in _____ making.
a) Profit b) Loss c) Decision d) Budget
- Royalty payable is to be treated as _____ expenses.
a) Direct b) Indirect c) Factory d) Selling
- Bad Debts recovery is a _____ item from cost.
a) Capital b) Financial c) Revenue d) Fixed
- A bill of materials serves as an authorization for the _____ to issue the materials.
a) factory b) storekeeper c) Manager d) operator
- A request for purchase of materials is termed as _____.
a) Purchase Requisition b) Invoice c) Order d) Notice

7. Under _____ level of stock materials are issued to important jobs only.
 a) Reorder b) Maximum c) Minimum d) Danger
8. Low value and high volume items fall in category _____ under ABC analysis.
 A) D b) C C) B D) A

Q2. Write Short Notes. (Attempt Any 2 out of 3) (8 Marks)

1. Steps involved in Purchases Procedure
2. ABC Analysis
3. Essentials of Material control

Q.3 M/s Sunshine Industries Ltd., Raipur uses certain raw material for a particular product for which the following information is available. (Marks 12)

Normal Usage : 300 units per day
 Minimum Usage : 240 units per day
 Maximum Usage: 420 units per day
 Reorder Quantity: 3600 units
 Reorder Period : 10 to 12 Days
 Normal Period 12 days

Calculate for each component:

- a) Reorder Level
- b) Maximum Level
- c) Minimum Level
- d) Average Stock level.

Q. 4 The following information is available from the books of

Rolex Enterprises for the year 2025: (Marks 12)

Particulars	Material	
	A	B
Materials in hand on-		
Opening stock	10000	10000
Closing stock	30000	20000
Materials Purchased during the year	40000	90000

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

Q.5

From the following particulars relating to M/s Aswani Bros., Pune , (Marks 12)
 prepare a **Cost-sheet showing:**

- a) Prime Cost b) Factory Cost c) cost of production**
d) cost of sales e) Total cost f) Profit /Loss

for the period for six months ended 31st March, 2025.

Particulars	Amount (Rs.)
Cost of material Consumed	40000
Oil and Waste	100
Operating labour	9000
Wages of Foreman	1000
Direct Expenses	2000
Store keepers Wages	500
Sales	100000
factory Electric Power	200
Direct Wages Payable	1000
Electricity Factory-	500
Electricity office -	200
Rent Office	1000
Rent of Workshop	2000
Advertising	400
Warehouse charges	200
Depreciation Office Premises	500
Depreciation Machinery	200
Sales Promotion Charges	2250
Office Manager Salary	500
Directors fees	500
Salesmen's Commission and salaries	500
Printing and Stationery	200
Telephone Charges	50
Postage	100
