

Dr. Babasaheb Ambedkar Open University
Term End Examination January – 2023

Course	: BBAR	Date	: 04-Feb-2023
Subject Code	: BBAR-502	Time	: 09:30am to 11:45am
Subject Name	: Cost Accounting	Duration	: 02.15 Hours
		Max. Marks	: 70

Section A

Answer the following (Attempt any three) (30)

1. Which are different functions of cost Accounting?
2. State the difference between Cost accounting and Management accounting.
3. Explain the main reasons behind labour turnover. How can labour turnover be avoided?
4. Explain the advantages of classification of overheads.
5. Discuss the methods of segregation of semi- variable overhead.

Section B

Answer the following (Attempt any four) (20)

1. State advantages of cost classification.
2. Write a Short note on cost- volume- profit analysis
3. Explain the Re-order stock level
4. How to calculate indirect labour?
5. Explain in brief how to reduce Manufacturing overheads.
6. A factory which expects to operate 7,000 hours at 70% level of activity, furnishes details of expenses as under:

Variable expenses Rs. 1,260

Semi- variable expenses Rs. 1,200

Fixed expenses Rs. 1,800

The semi- variable expenses go up by 10% between 85% and 95% activity and by 20% above 95% activity. Prepare a flexible budget for 80%, 90 % and 100% activities.

Section C

Part – A (Multiple Choice Questions) (10)

- 1 Financial accounting furnishes data on
A Income and cost for the managers B Financial conditions of the institutions
C Company's tax liability for a particular year D All the above
- 2 _____ is decided on the basis of ordering cost and carrying cost.
A EOQ B Maximum stock level
C Minimum stock level D Average stock level
- 3 Which of the following cost is included in the valuation of materials
A Penalty and charges B Road tax
C Goods and service tax if input tax credit is available D None of the above

- 4 Which one out of the following is not an inventory valuation method?
 A FIFO B LIFO
 C Weighted average D EOQ
- 5 When material prices fluctuate widely, the method of pricing that gives absurd results is
 A Simple average price B Weighted average price
 C Moving average price D None of the above
- 6 Avoiding causes of labour turnover include the following except:
 A Redundancy B Low wages
 C Bad working conditions D Marriage
- 7 To control costs, it is essential to keep control on
 A Prime cost B Overheads
 C Indirect materials and tools cost D All of the above
- 8 A cost that is easily traceable to a cost object is known as:
 A Direct cost B Indirect cost
 C Variable cost D Fixed cost
- 9 The process of distribution of overheads allotted to a particular department or cost center over the units produced is called :
 A Allocation B Apportionment
 C Absorption D Departmentalization
- 10 For which of the following would zero-based budgeting be most suitable ?
 A Building construction B Mining company operations
 C Transport company operations D Government department activities

Part – B (Do as Directed)

(10)

- 1 _____ Aids in price fixation.
- 2 The aggregate of indirect material, indirect labour, and indirect expenses is termed as _____
- 3 Uniform costing refers to the use by several undertakings of the same costing _____ and practices.
- 4 What is Danger level?
- 5 Give the formula of simple average Method?
- 6 Delay in production is the _____ of labour turnover.
- 7 Change of line for betterment is the _____ cause of labour turnover.
- 8 What is flexible budget?
- 9 This budgeting makes a decision oriented approach _____
- 10 The classification of fixed and variable cost is useful for the preparation of _____
