

Dr. Babasaheb Ambedkar Open University
Term End Examination July – 2026

Course	: BBA	Date	: 07-07-2026
Subject Code	: BBAR24502	Time	: 11:30am to 01:45pm
Subject Name	: Cost Accounting	Duration	: 02.15 Hours
		Max. Marks	: 70

Q - 1 Explain Advantages and Limitations of Cost Accounting in detail. **14**

OR

Q - 1 From the following information calculate: **14**

(1) EOQ (2) Re-order Stock level (3) Minimum stock level (4) Maximum stock level (5) Danger level (6) Safety Stock level (7) Average level

Annual Usage	2,500 Units
Cost per Unit	Rs. 10
Cost of placing an order	Rs. 200
Carrying Cost per unit	10%
Ordering period	2 to 3 weeks
Average usage per week	45 units
Maximum usage per week	60 units
Maximum time for emergency purchase	1 week

Q - 2 Calculate the Machine Hour Rate in respect of Machine No. 450 from the following particulars: **14**

Cost of Machine	Rs. 60,000
Estimated Life Hours	20,000
Estimated Scrap Value	Rs. 10,000
Estimated Working Hours p.a.	2,200
Setting Up time 10%	
Power 10 units @ 10 paise per hour	
Repair and Maintenance (estimated) p.a.	Rs. 6,000
Rent and Rates of Workshop p.m.	Rs. 1,200
No. of operators (looking after also 2 other machines)	4
Wages Per Operator p.m.	Rs. 300
Chemicals required for operating the machine p.m.	Rs. 300
Overheads chargeable to the machine p.m.	Rs. 600
Insurance Premium 1% p.a.	
The Machine occupies 20% of space of the factory	

OR

Q - 2 Define Job Costing. Explain Features, Advantages and Limitations of Job Costing in detail. **14**

Q - 3 A transport company has fleet of 20 taxis, each costing Rs.30,000. The manager of the company gets Rs.600 per month and an accountant gets Rs.500 per month. In addition, there are two mechanics, each getting Rs.200 per month. Garage rent is Rs.1,000 p.m. the taxis are insured @ 2% p.a. For each taxi, there is a driver who is paid Rs.200p.m. Annual repairs and maintenance charges are Rs.1,200 per taxi. The annual tax is Rs.300 per taxi. The total estimated life of the taxi is 3,00,000 kms. A taxi runs in all for 4,000 kms in a month, of which 20% are empty. Petrol consumption is one liter for 10 kms. Rate of petrol is Rs.1.10 per liter. Oil and sundry supplies are Rs.2 per 100 kms. From the above information, calculate the cost of running a taxi per km. **14**

OR

Q - 3 Explain the Causes of Difference between Profit as Per Cost A/c and Financial A/c. **14**

Q - 4 Explain Objectives and Functions of CASB in detail. **14**

OR

Q - 4 Explain the application of ABC and Advantages of ABC in detail. **14**

Q - 5 **Write Short Notes (Any two)** **14**

- 1** Techniques of Costing
- 2** Piece-wage System
- 3** Valuation of Materials
- 4** Characteristics of Contract Costing
- 5** Characteristics of Process Costing
