

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

Course : Diploma Course
Subject Code : DACA-01
Subject Name : Basics of Cost Accounting

Date : 06/07/2026
Time : 11:30am to 01:45pm
Duration : 02.15 Hours
Max. Marks : 70

Q-1 Explain the cost concept according to element of a product and related to volume. **14**

OR

A worker takes 9 hours to complete a job on daily wages and 6 hours on a scheme of payment by results. His day rate is 75 paise per hour, the material cost of the product is Rs. 4 and the overheads are recovered at 150% of the total direct wages. Calculate the factory cost of the product under:

- (a) Piece Work Plan
- (b) Rowan Plan
- (c) Halsey Plan

Q-2 Discuss the types of cost according to production with example in detail. **14**

OR

Dev enterprises manufactures a special product "Q". The following particulars were collected for the year 2024:

- (a) Monthly demand of Q 1,000 units.
- (b) Cost of placing an order Rs. 100.
- (c) Annual Carrying cost per unit Rs. 15
- (d) Normal usage 50 units per week
- (e) Minimum usage 25 units per week
- (f) Maximum usage 75 units per week
- (g) Re-order period 4 to 6 weeks

Compute from the above:

- (1) Re-order Quantity
- (2) Re-order Level
- (3) Minimum Level
- (4) Maximum Level
- (5) Average Stock Level

Q-3 Explain the causes of labour turnover in detail. **14**

OR

Explain in detail about the cost allocation.

Q-4 Explain the step method of charging cost of service departments with example. **14**

OR

Explain the meaning of materials and its control.

Q-5 (A) Short notes (Any three) **09**

- 1. Meaning of cost classification
- 2. Opportunity costs
- 3. Shut down costs
- 4. Trial and error approach
- 5. Meaning of overhead

(B) Choose the correct option for the questions given below and write the answer. **05**

- 1. The process of purchasing, storing and issuing materials is known as:
(A) Material control (B) Labour control
(C) Overhead control (D) Cost audit
- 2. Which stock level indicates the minimum quantity of material to be maintained?
(A) Maximum level (B) Re-order level
(C) Minimum level (D) Danger level

3. EOQ stands for:
- | | |
|------------------------------|------------------------------|
| (A) Economic Order Quantity | (B) Estimated Order Quantity |
| (C) Economic Output Quantity | (D) Excess Order Quantity |
4. FIFO method means:
- | | |
|-----------------------------|------------------------|
| (A) First In First Out | (B) Fast In Fast Out |
| (C) First Issue First Order | (D) Final In Final Out |
5. Bin card is maintained by:
- | | |
|------------------------|----------------------|
| (A) Cost accountant | (B) Storekeeper |
| (C) Production manager | (D) Purchase manager |
