



NP – 313

IV Semester B.B.A. Examination, August/September 2023  
(NEP Scheme)

AVIATION MANAGEMENT

Paper – 4.1 : Elements and Methods of Costing

Time : 2½ Hours

Max. Marks : 60

**Instruction :** Answers should be written in **English** only.

SECTION – A

Answer **any 6** out of 8 given questions, **each** carries **2** marks.

(6×2=12)

1. a) What do you mean by life cycle costing ?  
b) Give the meaning of cost unit.  
c) Write the meaning of machine hour rate.  
d) Define cost accountancy.  
e) List two items of expenses which are included in cost accounts as notional charges but not in financial accounts.  
f) State any two merits of Halsey plan.  
g) Mention any two differences between cost control and cost reduction.  
h) What is material requisition note ?

SECTION – B

Answer **any 3** out of 5 questions. **Each** question carries **4** marks.

(3×4=12)

2. Calculate Economic Order Quantity for material 'M' from the following information :

Annual usage – 90000 units

Ordering cost – ₹ 10 per order

Cost of carrying inventory – ₹ 5 per unit per annum

Cost per unit – ₹ 50

3. Calculate total earnings and effective wage rate per hour under Halsey plan :

Time allowed – 48 hours

Time taken – 40 hours

Rate per hour – ₹ 10

P.T.O.



4. From the following particulars, compute machine hours rate :
- Cost of Machine ₹ 11,000  
 Scrap value ₹ 680  
 Effective working life – 10,000 hours  
 Repairs for effective working life – ₹ 1,500  
 Power – 6 units per hour @ 50 paise per unit  
 Standing charges for 4 weekly period – ₹ 1,600  
 Hours worked in 4 weekly period – 120 hours
5. From the following information, prepare a cost sheet :
- |                                  |              |
|----------------------------------|--------------|
| Sales                            | – ₹ 1,00,000 |
| Opening stock of raw material    | – ₹ 37,500   |
| Closing stock of raw material    | – ₹ 45,750   |
| Direct material                  | – ₹ 30,000   |
| Direct wages                     | – ₹ 26,000   |
| Factory overheads                | – ₹ 8,000    |
| Selling and distribution expense | – ₹ 2,000    |
| Opening stock of finished goods  | – ₹ 27,000   |
| Closing stock of finished goods  | – ₹ 15,000   |
6. Distinguish between allocation and apportionment of overhead.

### SECTION – C

Answer **any 3** out of 5 questions. **Each** question carries **12** marks.

(3×12=36)

7. From the following information, prepare stores Ledger Account using LIFO method.

Jan. 2	Purchased 4000 units @ ₹ 4 per unit
Jan. 20	Purchased 500 units @ ₹ 5 per unit
Feb. 5	Issued 2000 units
Feb. 10	Purchased 6000 units @ ₹ 6 per unit



Feb. 12 Issued 4000 units  
March 2 Issued 1000 units  
March 5 Issued 2000 units  
March 15 Purchased 4500 units @ ₹ 5.50 per unit  
March 20 Issued 3000 units.

8. Standard time fixed for a job in a manufacturing concern is 40 hours. Time rate is 60 paise per hour. The actual time taken by the workers A, B and C is 20 hours, 15 hours and 30 hours respectively.

Calculate the total remuneration of A, B and C on the basis of

- i) Halsey plan
- ii) Rowan plan.

9. The following information is supplied from the costing records of a company :

Rent	– ₹ 2,000
Maintenance	– ₹ 1,200
Depreciation	– ₹ 900
Lighting	– ₹ 200
Insurance	– ₹ 1,000
Energy	– ₹ 1,800
Supervision	– ₹ 3,000
Employer's contribution to P.F.	– ₹ 300

**Departments**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Floor space (sq. yards)	150	110	90	50
No. of workers	24	16	12	8
Total direct wages (₹)	8,000	6,000	4,000	2,000
Cost of machine (₹)	24,000	18,000	12,000	6,000
Stock of goods (₹)	15,000	9,000	6,000	–

Prepare a statement showing apportionment of costs to various departments.





10. The following extracts of costing information relate to commodity X for the year ending 31-3-2023.

Purchase of raw material	—	₹ 6,000
Direct wages	—	₹ 5,000
Carriage inwards	—	₹ 100
Rent, rates and insurance	—	₹ 2,000
Stock : Raw material (1-4-2022)	—	₹ 1,000
Finished goods 200 tonnes	—	₹ 800
Stock : Raw material (31-3-2023)	—	₹ 1,100
Finished goods 400 tonnes	—	—
Cost of factory supervision	—	₹ 400
Sale of finished goods	—	₹ 15,000

Advertising and selling cost is 40 paise per tonne sold. 3,000 tonnes of the commodity were sold during the year.

Prepare a cost sheet.

11. From the following data, prepare a reconciliation statement.

* Profit as per cost accounts	₹ 2,91,000
* Works overheads under recovered	₹ 19,000
* Administration overheads under recovered	₹ 45,500
* Selling overhead over recovered	₹ 39,000
* Over valuation of opening stock in cost accounts	₹ 30,000
* Over valuation of closing stock in cost accounts	₹ 15,000
* Interest earned during the year	₹ 7,500
* Rent received during the year	₹ 54,000
* Bad debts written off during the year	₹ 18,000
* Preliminary expenses written off during the year	₹ 36,000