



IV Semester B.B.A. Examination, June/July 2025
(NEP) (F+R)

AVIATION MANAGEMENT

Paper – 4.1 : Elements and Methods of Costing

Time : 2½ Hours

Max. Marks : 60

Instruction : Answer should be written in **English Only**.

SECTION – A

1. Answer **any 6** questions. **Each** question carries **two** marks. **(6×2=12)**
- a) Define costing.
 - b) What are the three elements of cost ?
 - c) Give the meaning of Kaizen costing.
 - d) State the causes of idle time.
 - e) Mention the different levels of stock.
 - f) What is time keeping ?
 - g) State any four examples of administration overheads.
 - h) Give the meaning of reconciliation statement.

SECTION – B

- Answer **any 3** questions. **Each** question carries **four** marks. **(3×4=12)**
2. State the difference between financial accounting and cost accounting.
3. From the following information prepare a cost sheet.

	(₹)
Raw materials purchased	32,250
Carriage on purchases	850
Direct wages	18,450
Factory overhead	2,750
Selling overhead	2,450
Office overhead	1,850
Sales	75,000
Sales of factory scrap	250
Opening stock of finished goods	9,750
Closing stock of finished goods	11,100

P.T.O.



- | | | |
|---------------|---|----------|
| Standard time | = | 10 hours |
| Time taken | = | 6 hours |
| Hourly rate | = | ₹ 2 |

- | | | |
|---------------------|---|--------------------|
| Re-order quantity | = | 3,600 units |
| Maximum consumption | = | 900 units per week |
| Minimum consumption | = | 300 units per week |
| Normal consumption | = | 600 units per week |
| Re-order period | = | 3 to 5 weeks |

Wages per day ₹ 5

Direct wages	₹ 22.440
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Factory expenses	₹ 11,550
Office expenses	₹ 5,940
Selling expenses	₹ 4,180
Distribution expenses	₹ 2,750

Also calculate the percentage of works expenses to direct wages and the percentage of office expenses to works cost.

8. The following is the record of receipts and issues of a certain material in the factory during a week.

April

- | | |
|-----------------------------|--|
| 1. Opening Balance | 50 tonnes @ ₹ 10 per tonne |
| Issued | 30 tonnes |
| 2. Received | 60 tonnes @ ₹ 10.20 per tonne |
| 3. Issued | 25 tonnes (stock verification reveals loss of 1 tonne) |
| 4. Received back from order | 10 tonnes (previously issued at ₹ 9.15 per tonne) |
| 5. Issued | 40 tonnes |
| 6. Received | 22 tonnes @ ₹ 10.30 per tonne |
| 7. Issued | 38 tonnes |

Prepare a store ledger account from the above details using FIFO method.

9. A manufacturing company disclosed a net loss of ₹ 3,47,000 as per their cost accounts for the year ended March 31, 2024. The financial account however disclosed a net loss of ₹ 5,10,000 for the same period. The following information was revealed as a result of scrutiny of the figures of both the sets of accounts.

Factory overheads under absorbed	₹ 40,000
Administration overheads over-absorbed	₹ 60,000
Depreciation charged in financial accounts	₹ 3,25,000
Depreciation recovered in cost accounts	₹ 2,75,000
Interest on investments not included in cost accounts	₹ 96,000
Income tax provided	₹ 54,000
Interest on loan funds in financial accounts	₹ 2,45,000
Transfer fee (Credit in financial books)	₹ 24,000
Stores adjustment (credit in financial books)	₹ 14,000
Dividend received	₹ 32,000

Prepare a statement showing reconciliation between the figure of net loss as per cost accounts and the figure of net loss shown in the financial books.



10. Calculate the earnings of a worker under time rate, piece rate, Halsey plan and Rowan plan from the following :

Standard time	=	30 hours
Time taken	=	24 hours
Hourly rate of wages	=	₹ 30
Rate per unit	=	₹ 30
Number of units produced	=	30
DA is ₹ 15 per hour worked.		

11. The following data were obtained from the books of Glaxo Company for the half-year ended 30-9-2023. Prepare an overhead distribution summary.

	Production Departments			Service Departments	
	A	B	C	X	Y
Direct wages (₹)	7,000	6,000	5,000	1,000	1,000
Direct material (₹)	3,000	2,500	2,000	1,500	1,000
Employees (no's)	200	150	150	50	50
Electricity (kwh)	8,000	6,000	6,000	2,000	3,000
Light points (no's)	10	15	15	5	5
Assets values (₹)	50,000	30,000	20,000	10,000	10,000
Area occupied (sq.yds)	800	600	600	200	200

The expenses for 6 months were :

	(₹)		(₹)
Store overhead	400	Depreciation	6,000
Motive power	1,500	Repairs and maintenance	1,200
Electric lighting	200	General overheads	10,000
Labour welfare	3,000	Rent and taxes	600

Apportion the expenses of department X in the ratio of 4 : 3 : 3 and that of department Y in proportion to direct wages, to department A,B and C respectively.