

THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2025

(FYUGP)

CC24UBBA3CJ204 - STRATEGIC COST ANALYSIS

(B.B.A. - Major Course)

(2024 Admission - Regular)

Time: 2.0 Hours

Maximum: 70 Marks

Credit: 4

Part A (Short answer questions)Answer ***all*** questions. Each question carries 3 marks.

1. What do you mean by semi-variable cost? Examples. [Level:1] [CO1]
2. State two points of difference between Cost Accounting and Financial Accounting. [Level:2] [CO1]
3. Explain briefly selling overheads. [Level:2] [CO1]
4. What are fixed overheads? [Level:2] [CO2]
5. What is meant by material cost and labour cost? Give an example. [Level:2] [CO2]
6. Explain the concept of CVP analysis. [Level:2] [CO3]
7. What is margin of safety? [Level:2] [CO3]
8. How do you define contribution in cost accounting? [Level:2] [CO3]
9. Define labour [Level:2] [CO3]
10. Define zero base budgeting [Level:2] [CO4]

(Ceiling: 24 Marks)**Part B (Paragraph questions/Problem)**Answer ***all*** questions. Each question carries 6 marks.

11. What is Labour and what are the division of labour? [Level:2] [CO1]
12. Define elements of cost. Discuss the various elements of cost. [Level:2] [CO1]
13. Calculate EOQ from the following. Also calculate the number of orders to be placed in a year Annual consumption 10,000 kg. Cost of placing an order Rs. 50 Cost per kg. of material Rs. 2 Storage cost 8% on average inventory. [Level:3] [CO2]

14. How to calculate EOQ from the following. Annual consumption 4,000 kg. Cost of placing an order Rs. 5 Cost per kg. of material Rs. 2 Storage cost 8% on average inventory. [Level:3] [CO2]

15. The fixed cost for the year are Rs. 40,000. Selling price per unit is Rs. 10 and variable cost per unit is Rs. 10. Calculate BEP output. [Level:3] [CO3]

16. Draw a break even chart with imaginary figures. [Level:2] [CO3]

17. Explain the concept of Cost-Volume-Profit (CVP) analysis. [Level:2] [CO3]

18. Prepare a flexible budget at 80% and 100% activity on the basis of the following information: Production at 60% capacity – 600 units Raw materials - Rs. 100 per unit Direct labour - - Rs. 40 per unit Expenses - - Rs. 10 per unit Factory expenses – Rs. 40,000 (40% fixed) Administrative expenses – Rs. 30,000 (60% fixed) [Level:3] [CO4]

(Ceiling: 36 Marks)

Part C (Essay questions)

Answer any **one** question. The question carries 10 marks.

19. A factory produces 100 units of a commodity. The cost of production is as follows : [Level:2] [CO1]
 Direct material Rs. 94,000 Direct wages 30,000 Direct expenses 15,000 Factory Overheads 70% on wages Office overheads 25% on works cost (factory cost) Expected profit 20% on sales Prepare a cost sheet.

20. Prepare a stores ledger from the following transactions adopting the weighted average method of pricing issues. 2026 August 1 Opening balance – 50 units at Rs. 3 per unit. “ 5 Issued out to production 2 units “ 7 Purchased 48 units @ Rs. 4 per unit “ 9 Issued out 20 units to production “ 19 Purchased 76 units @ Rs. 3 per unit “ 24 Received back into stores 19 units out of 20 units issued on 9th Aug., 2026 “ 27 Issued to production 10 units [Level:3] [CO2]

(1 × 10 = 10 Marks)
