

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET A

**SCHOOL OF MANAGEMENT
END TERM EXAMINATION – MAY / JUNE 2024**

Semester : Semester VI - 2021

Course Code : BBA3050

Course Name : Accounting in Logistics and Supply Chain
Management

Program : BBA

Date : May 29, 2024

Time : 09.30am-12.30pm

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

PART - A

ANSWER ANY FIVE QUESTIONS

5 X 2 = 10M

1. Define the Relationship between Cost, Finance & Management Accounting. (CO1) [Knowledge]
2. Define the Cost unit . (CO2) [Knowledge]
3. Define the term "rectification" in the context of process costing. (CO3) [Knowledge]
4. Define the concept of maximum stock level in inventory management. (CO4) [Knowledge]
5. Expand the term EOQ and outline the formula used to calculate it. (CO4) [Knowledge]
6. Define the effectiveness of commonly used key performance indicators (KPIs) in profit analysis for logistics companies. (CO5) [Knowledge]
7. Define 'carrying cost' in terms of inventory management. (CO5) [Knowledge]

PART - B

ANSWER ANY FIVE QUESTIONS

5 X 10 = 50M

8. Freyer International Logistics Pvt Ltd is a medium-sized logistics firm that specializes in providing transportation and warehousing services for various industries. The management team is considering implementing a cost accounting system to gain better insight into their operational costs and improve profitability. They have approached you, a logistics accounting consultant, for guidance. Freyer International Logistics Pvt Ltd has been experiencing challenges in accurately tracking and managing its operational costs. With a growing number of clients and increasing complexity in logistics operations, management is finding it difficult to allocate costs effectively and make informed decisions about pricing, resource utilization, and service offerings.

Questions:

1. Why is a cost accounting system essential for ABC Logistics Company?
2. What are the key components of a good cost accounting system for a logistics company?

(CO1) [Comprehension]

9. Define the application of logistics costing in transportation management. Provide examples to illustrate how logistics costing is applied in real-world transportation scenarios.

(CO2) [Comprehension]

10. Explain the concept of process costing in the context of supply chain management. Define process costing and discuss its significance in manufacturing and service industries.

(CO3) [Comprehension]

11. Describe the fundamental characteristics and features of process costing. Highlight key elements such as continuous production, uniform or standardized products, and multiple production stages.

(CO3) [Comprehension]

12. Prepare stores ledger account, pricing issued at (a) Simple average (b) Weighted average method

15.03.2019 Receipts 200 units @ Rs.2
18.03.2019 Receipts 300 units @ Rs.2.40
25.03.2019 Issues 250 units
28.03.2019 Receipts 250 units @ Rs.2.60
30.03.2019 Issues 200 units

(CO4) [Comprehension]

13. Outline the roles and responsibilities of a store manager in logistics operations. Discuss how the store manager oversees store control, maintains optimal stock levels, and ensures efficient inventory management.

(CO4) [Comprehension]

14. How does accounting play a role in analyzing the profitability of a logistics company? Discuss the key financial metrics and performance indicators used in profit analysis, such as gross margin, operating profit, and return on investment (ROI).

(CO5) [Comprehension]

PART - C

ANSWER ANY TWO QUESTIONS

2 X 20 = 40M

15. A product passes through three processes A, B, and C. The normal wastage of each process is as follows
process A – 3%
process B – 5%
process C – 8%
wastage of process A was sold at 25 paise per unit that of process B at 50 paise per unit and that of process C at 1 rupee per unit.
10000 units were issued to process A on 1/4/17 at a cost of 1 rupee per unit. the other cost is as follows:

	Process A	Process B	Process C
Sundry Materials	1000	1500	500
Labour	5000	8000	6500
Direct Expenses:	1050	1188	2009
Actual output units	9500	9100	8100

Prepare the process account assuming that there were no opening or closing stocks. Also, give the abnormal wastage and abnormal gain account in the units.

(CO3) [Application]

16. From the following particulates prepare stores ledger account under:
(i) FIFO (ii) LIFO method.
March -2nd Purchases 200 units @ Rs.200
March- 4th Issued 150 units
March-6th Purchases 200 units @ Rs.220
March-10th Issued 100 units
March-16th Purchases 200 units @ Rs.210
March-18th Issued 220 units
March-24th Purchases 150 units @ Rs.230
March-25th Issued 190 units
March-28th Issued 30 units

(CO4) [Application]

17. a. Discuss the importance of maintaining accountability of inventory in the transportation sector, considering factors such as perishability, obsolescence, and fluctuating demand. How can accounting practices ensure efficient inventory management? (10 marks)
b. Analyze the accounting procedures involved in tracking the movement of goods from procurement to manufacturing stages in the transportation industry. How do these processes contribute to cost control and optimization? (10 Marks)

(CO5) [Application]