

21U458

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Name:

Reg. No:

FOURTH SEMESTER B.B.A. DEGREE EXAMINATION, APRIL 2023

(CBCSS - UG)

(Regular/Supplementary/Improvement)

CC19U BBA4 B06 - COST AND MANAGEMENT ACCOUNTING

(BBA - Core Course)

(2019 Admission onwards)

Time: 2.5 Hours

Maximum: 80 Marks

Credit: 4

Part A (Short answer questions)

Answer *all* questions. Each question carries 2 marks.

1. Define cost accountancy.
2. What is meant by marginal costing?
3. What do you mean by semi-variable cost?
4. What are operation cost centre?
5. Define management accounting.
6. What are stores?
7. What is minimum stock level?
8. What is EOQ?
9. What is administration overhead?
10. What is work cost?
11. Give four disadvantages of job costing
12. Distinguish between normal loss and abnormal loss
13. Give four importance of CVP analysis.
14. Give the Equation of BEP.
15. What is budgeting?

(Ceiling: 25 Marks)

Part B (Paragraph questions)

Answer *all* questions. Each question carries 5 marks.

16. What are the components of works cost?
17. What are the difference between cost accounting and management accounting?
18. In Process A 100 units of raw materials were introduced at a cost of ₹ 1000. The other expenditure incurred by the process was ₹ 600. Of the units introduced, 10% are normally lost in the course of manufacturer and they possess a scrap value of ₹ 7 each. The output of process A was only 75 units. Prepare process a/c and abnormal loss a/c.

(1)

Turn Over

19. The following is the record of receipts and issues of certain material in a factory during a week of May 2021. Opening balance 100 tonnes at 10 per tonne. Use LIFO and FIFO methods.

1. Issued 60 tons
2. Received 120 tons at 10.10 per ton
3. Issued 50 tons (stock verification reveals a loss of 2 tons)
4. Received back from order 20 tons (originally issued at 79.90 per ton)
5. Issued 80 tons
6. Received 44 tons at rupees 10.20 per ton
7. Issued 66 tons

20. What are the difference between overhead apportionment and overhead absorption?

21. Calculate P/V Ratio. Sales ₹ 8,00,000. Variable cost ₹ 4,80,000. Fixed cost ₹ 2,00,000.

22. What is cash budget? What are the advantages of it?

23. Prepare a flexible budget at 80% and 100% activity on the basis of the following information.

Production at 50% capacity - 5000 units

Raw materials	₹ 80 per unit
Direct labour	₹ 50 per unit
Expenses	₹ 15 per unit
Factory expenses	₹ 50,000 (50%)
Administrative expenses	₹ 60,000 (60%)

(Ceiling: 35 Marks)

Part C (Essay questions)

Answer any *two* questions. Each question carries 10 marks.

24. In a factory bonus system, bonus hours are credited to the employee in the proportion of time taken which time saved bears to time allowed. No overtime is worked and payment is made in full for all units worked on, including those subsequently rejected. From the following information you are required to calculate for each employee: (i) The amount of bonus earned by each employee, (i) The total earnings of each employee, and (ii) The wages cost of each good unit produced.

Employee	A	B	C
Basic wage rate per hour	5	8	7.50
Units issued for production	2,500	2,200	3,600
Time allowed (for 100 units)	2hrs. 36 mts.	3 hrs.	1 hr. 30 mts.
Time taken	52 hrs.	75 hrs.	48 hrs.
Rejects	100 units	40 units	400 units

25. From the following particulars prepare a cost sheet for the year ending 31-12-2010:

Raw materials	Rs.12000
Direct Labour	Rs.16000
Indirect labour	Rs.3000
Works overheads	25% of direct labour
Administration overheads	10% of works cost
Opening stock of finished goods	200 units
Closing stock of finished goods	300 units
Output for the year	1000 units
Sales (900 units @50 per unit)	Rs.4500

The company wants to quote for the supply of 500 units. Calculate the quotation amount taking into account the expected increase in material cost by 10% and increase in wages by 5%. The quotation should fetch 20% profits on sales. Other expenses remain constant per unit.

26. A product passes through two distinct processes A and B thereafter to finished stock. From the following information, you are required to prepare the process accounts

	Process A	Process B
Material consumed	12,000	6,000
Direct labour	14,000	8,000
Manufacturing expenses	4,000	4,000
Input in Process A (units)	10,000	---
Input in value (T)	10,000	---
Output (units)	9,400	8,300
Normal wastage	5%	10%
Value of normal wastage per 100 units	8	10

27. Explain the various types of budgets. Distinguish between budgetary control and standard costing. Define these two control techniques.

(2 × 10 = 20 Marks)

(3)