23U456 (Pages: 3) Name : ....

Reg. No : ....

FOURTH SEMESTER B.B.A. DEGREE EXAMINATION, APRIL 2025

(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. What is meant by marginal costing?
2. Define opportunity cost.
3. What are operation cost centre?
4. Define management accounting.
5. Write two difference between financial accounting and management accounting?
6. Give two importance of material control.
7. What are its disadvantage of LIFO method?
8. What is differential piece rate?
9. Distinguish between overhead and Indirect expenses.
10. What is prime cost?
11. What is job costing?
12. How is abnormal wastage valued in process a/c?
13. Give four assumptions of marginal costing.
14. Give four dis advantages of CVP analysis.
15. Give the equation of margin of safety.

(Ceiling: 25 Marks)

Part B (Paragraph questions)

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

16. Distinguish between prime cost and factory cost.

17. What is minimum level? What are the factors to be considered in determining minimum level?

18. Calculate Machine hour rate from the following information:

Cost of machine	Rs.90000
Freight and installation charges	Rs.10000
Working life	10 years
Working hours	2000 per year
Repair charges	50% of depreciation

Power -10 units per hour @ 10 paise per unit

Lubricating oil @ Rs.2 per day of 8 hours

Consumable stores @Rs.10 per day of 8 hours

Wages of operators @Rs.4 per day

19. Accounts of a manufacturing company showed the following details for an year:

Materials used	Rs. 87500
Wages	Rs. 67500
Works overhead expenses	Rs. 18563
Establishment expenses	Rs. 11625

Show the works cost and total cost, the percentages that works overhead bears to the wages and the percentage that the establishment expenses bears to the works cost. What price should the company quote to manufacture a machine which would require an expenditure of Rs.8500 in materials and Rs.7000 in wages so that it may yield a profit of 25% on the total cost.

20. Product A is obtained after it passes through three distinct process, 2000 kg of material at ₹ 5 per kg were issued to the first process. Direct wages ₹ 900 and production overhead incurred was ₹ 500. Normal loss is estimated at 10% of input. This wastage is sold at ₹ 3 per kg. The actual output is 1850 kg prepare process A a/c and abnormal gain or abnormal loss a/c as the case may be.

21. Find out fixed cost with the help of P/V ratio.

Sales	₹ 4,00,000
P/V ratio	30%
Profit	₹ 40,000

22. What is budgeting? What are the features of budgeting?

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

(Ceiling: 35 Marks)

Part C (Essay questions)

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

24. What is marginal costing? What are the characteristics and assumptions of marginal costing?

25. The record of issue and receipts of material for a month is given below. You are required to prepare Store Ledger Account and show

the transactions charging the issue on the principle of First in First out method. The store verification report reveals a loss of five tonnes

on the15th and another shortage of four tonnes on 28th of month.

Aug	1	Opening Balance 500 tonnes@ T20.00 per tonne
"	2	Issue 50 tonnes
"	3	Issue 50tonnes
"	4	Issue 200 tonnes
"	7	Purchase from vendors 200 tonnes@19.50
"	16	Refund of surplus from a work order 20 tons
"	17	Issue 200 tonnes
"	21	Purchase from vendors 150 tons@ 20.50 per tonne
"	25	Issue 250 tonnes
"	27	Purchase from vender 300 tonnes@20.00 per tonne
"	30	Issue 200 tonnes
"	31	Refund of surplus fromawork order 15 tonnes@T20.50 per tonne

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. From the following information perpare flexible budget at 80% and 100% capacity.

Production at 60% Capacity	5,000 units
Raw materials	₹ 80 per unit
Direct labour	₹ 50 per unit
Expenses	₹ 15 per unit
Factoey Expenses	₹ 50,000 (50% fixed)
Administration Expenses	₹ 60,000 (60% variable)

(2 × 10 = 20 Marks)

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