

**C 3464**

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Name.....

Reg. No.....

**FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
APRIL 2021**

**B.B.A.**

**BBA 4B 06—COST AND MANAGEMENT ACCOUNTING**

Time : Two Hours and a Half

Maximum : 80 Marks

**Section A**

*Answer at least ten questions.  
Each question carries 3 marks.  
All questions can be attended.  
Overall Ceiling 30.*

1. Define Management Accounting.
2. What is cost centre ?
3. What is danger level ?
4. What is meant by functional budget ?
5. What do you mean by direct expenses ?
6. What is retention money ?
7. What is meant by Prime Cost ?
8. What is P/V ratio ?
9. What is a break-even chart ?
10. What is abnormal loss ?
11. What do you mean by overheads ?
12. What is EOQ ?
13. What is a stores ledger ?
14. What is batch costing ?
15. What do you mean by idle time ?

(10 × 3 = 30 marks)

**Turn over**

### Section B

*Answer at least five questions.  
Each question carries 6 marks.  
All questions can be attended.  
Overall! Ceiling 30.*

16. What are the objectives of cost accounting ?
17. Distinguish between allocation and apportionment of overheads.
18. Explain the advantages of effective material control system.
19. What are the objectives of budgetary control ?
20. Standard Time : 12 hours.  
Time taken : 8 hours.  
Time Rate : Rs. 5 per hour.

Compute the total earnings under Halsey Plan.

21. From the following particulars, find out (i) Re-order level ; (ii) Minimum level ; and (iii) Maximum level :

Re-order quantity	... 10,000 units
Time required for delivery	... 2 to 4 months
Maximum consumption	... 2,500 units per month.
Normal consumption	... 2,000 units per month.
Minimum consumption	.. 1,500 units per month.

22. Prepare job cost sheet from the following details of Snowfall Ltd. :

	Rs.
Materials used	... 18,000
Direct wages	... 16,000
Works overhead	... 4,000
General expenses	... 1,900

23. From the following information, calculate Break-Even Point in amount and in units :

	Rs.
Units Produced	... 20,000
'Sales revenue	... 2,50,000
Fixed costs	... 40,000
Variable costs	... 1,45,000

(5 × 6 = 30 marks)

## Section C

*Answer any two questions.*

*Each question carries 10 marks.*

24. Define Management Accounting. Explain its objectives and bring out the tools used in management accounting.
25. The following particulars have been obtained from the cost records of a company for the year 2019 :

	Rs.
Materials used in manufacturing	1,30,000
Materials used in selling the product	3,000
Material used in the factory	1,500
Productive wages	30,000
Factory supervision expenses	4,000
Materials used for office	2,500
Direct expenses	10,000
Indirect expenses - Factory	2,000
Administration expenses	3,000
Depreciation on factory building	3,500
Depreciation on office building	1,500
Freight on materials purchased	5,000
Depreciation on delivery van	1,000
Salary paid to the driver of the van	3,600
Advertisement	2,000
Bad debt	1,500

Prepare a statement of cost and profit assuming that all products manufactured during the year have been sold to earn a profit of 20 % on selling price.

**Turn over**

26. Sunrise Limited produced three products during November 2020 by three consecutive processes. In each process, 2 % of the total materials put in is lost and 10 % is scrap which from processes 1 and 2 realises Rs. 100 per ton and from process 3 Rs. 20 per ton. The products of three processes are dealt with as follows. Prepare process cost accounts showing the cost per ton of each product.

Particulars	Process 1	Process 2	Process 3
Passed on to the next process	75 %	50 %	—
Sent to warehouse for sale	25 %	50 %	100 %
Raw materials (Qty)	1,000 tons	140 tons	1,348 tons
Raw materials (Amount)	1,20,000	28,000	1,07,840
Manufacturing wages (Amount)	20,500	18,520	15,000
General expenses	10,300	7,240	3,100

27. The following is the income and expenditure forecasts of a company for the months of March to July 2020 :

Month	Sales	Purchases	Wages
March	60,000	36,000	9,000
April	62,000	38,000	8,000
May	64,000	33,000	10,000
June	58,000	39,000	8,500
July	56,000	39,000	9,500

Prepare cash budgets for three months starting from 1<sup>st</sup> May 2020.

- Cash balance on 1<sup>st</sup> May 2020 Rs. 8,000.
- Advance tax Rs. 8,000 payable in March and June each.
- Credit allowed by suppliers is 2 months and allowed to customers is 1 month.
- Lag in payment of wages is 1<sup>st</sup> month.

(2 × 10 = 20 marks)