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Name.....

Reg. No.....

**FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
APRIL 2025**

B.B.A.

BBA 4B 06—COST AND MANAGEMENT ACCOUNTING

(2019—2023 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. What is meant by Cost ?
2. What is meant by buffer stock ?
3. What is meant by Direct Material ?
4. What is meant by VED analysis ?
5. What is meant by Overhead ?
6. What is meant by Stores Ledger ?
7. What is Perpetual Inventory System ?
8. What is Labour Turnover ?
9. What is meant by Management Accounting ?
10. What is meant by flexible budget ?
11. What is meant by ABC Analysis ?
12. What is Break Even Point ?
13. What is meant by Budget ?

Turn over

14. What is Margin of Safety ?
15. What is Budgetary Control ?

(15 × 2 = 30, Maximum Ceiling 25 marks)

Part B

Answer all questions.

16. Fixed cost Rs. 8,000
Profit earned Rs. 2,000
Break even sales Rs. 40,000
What is the actual sales ?
17. Materials X and Y are used as follows :
Minimum usage - 50 units each per week
Maximum usage -150 units each per week
Normal usage -100 units each per week
Ordering quantities ;
X = 600 units
Y = 1,000 units
Delivery period ;
X = 4 – 6 weeks
Y = 2 – 4 weeks.

Calculate for each material :

(i) Maximum level ; (ii) Minimum level ; and (iii) Ordering level ?

18. Differentiate between Cost Accounting and Management Accounting ?
19. What is Store Keeping ? State its objectives.
20. What is meant by spoilage ? State its Accounting treatments.
21. What is Differential Piece Rate system ? When is it used ?

22. In a factory guaranteed wages at the rate of 18.00 per hour are paid in a 48-hour week. By time and motion study it is estimated that to manufacture one unit of a particular product 20 minutes are taken. The time allowed is increased by 25 %. During one week Abraham produced 180 units of the product. Calculate his wages under each of the following methods : (a) Time rate ; and (b) Piece-rate with a guaranteed weekly wage ?
23. The following information is obtained from the records of a factory regarding the execution of two orders for the same quantity of a commodity :

	<i>Materials</i>	<i>Wages</i>	<i>Sale Price</i>	<i>Percentage of Profit on Cost of Production</i>
	Rs.	Rs.	Rs.	%
First order	25,000	20,000	85,800	10
Second order	36,000	28,000	1,23,760	12

Find out the percentage of Factory Overheads and Office Overheads.

(8 × 5 = 40, Maximum Ceiling 35 marks)

Part C

24. Write an Essay on Classification of Costs ?
25. The following is a summary of the receipts and issues of materials in a factory during a month :

Date

- 1 Opening balance 500 units at R25 per unit.
- 3 Issue 70 units
- 4 Issue 100 units
- 8 Issue 80 units
- 13 Received 200 units @ 24.50 per unit.
- 14 Returned to store 15 units @ 124 per unit
- 16 Issue 180 units
- 20 Received 240 units @ 24.75 per unit
- 24 Issue 304 units
- 25 Received 320 units @R24.50 per unit
- 26 Issue 112 units
- 27 Returned to store 12 units @ 24.50 per unit
- 28 Received 100 units at 25 per unit.

Workout on the basis of FIFO. It is revealed that there was a shortage of 5 units on 15th and 8 units on 27th ?

Turn over

26. From the following you are required to prepare a statement showing the issues made under LIFO method :

Date

Opening Balance 100 units at 10 each.

1 Received 200 units at R10.50 each.

2 Received 300 units at 10.60 each.

4 Issued 400 units to Job A vide MR No. 3.

6 Issued 120 units to Job B vide MR No. 4.

7 Received 400 units at 11 each.

10 Issued 200 units to Job C vide MR No. 5.

12 Received 300 units at R11.40 each.

13 Received 200 units at. 11.50 each.

15 Issued 400 units to Job D vide MR No. 6.

27. The following information has been obtained form the records of ABC Co. Ltd. for the month of January, 2011 :

	Rs.
Cost of raw materials on 1/01/2011	... 30,000
Purchase of raw materials during the month	... 1,50,000
Wages paid	... 2,30,000
Factory overheads	... 92,000
Cost of work-in-progress on 1/01/2011	... 12,000
Cost of raw materials on 30 /01/2011	... 25,000
Cost of work-in-progress on 30 /01/2011	... 15,000
Cost of stock of finished goods on 1/01/2011	... 60,000
Cost of stock of finished goods on 30 /01/2011	... 55,000
Administration overheads	... 30,000
Seling and distribution overheads	... 20,000
Sales	... 9,00,000

Prepare : (i) Cost sheet showing the cost of production of goods manufactured ; and (ii) Statement showing the cost of sales and the profit earned.

(2 × 10 = 20 marks)