



QP CODE: 24019151



24019151

Reg No :

Name :

**BBA DEGREE (CBCS) REGULAR / IMPROVEMENT / REAPPEARANCE
EXAMINATIONS, MAY 2024**

Second Semester

Bachelor of Business Administration

Core Course - BA2CRT06 - COST AND MANAGEMENT ACCOUNTING

2017 ADMISSION ONWARDS

D14E2DDC

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is costing ?
2. "Cost accounting is a tool for consumers on purchase decisions ".Comment on it.
3. What is selling and distribution cost? Give examples.
4. List any four advantages of decentralised purchasing.
5. What do you mean by material scrap?
6. Define the term labour turnover.
7. What is Production overheads? Give examples.
8. What is cost allocation?
9. Give any two differences between management accounting and cost accounting.
10. What is ZBB ?
11. What is standard cost ?
12. What is labour variance?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*





13. Distinguish between cost accounting and financial accounting.
14. Explain (a) Cost centre (b) Profit centre (c) Cost unit
15. From the following information find out EOQ and number of order placed in a year.
Annual usage: 160 units.
Buying cost per order Rs. 24
Price per unit Rs. 120
Storage and carrying cost as a percentage of average inventory 12%
16. From the following prepare a stores ledger using simple average pricing method
- | Date | Transactions | Units | Rate |
|--------|-----------------|-----------|------|
| Jan 1 | Opening balance | 100 | 2 |
| Jan 2 | Received | 500 units | 2.20 |
| Jan 5 | Received | 300 units | |
| Jan 8 | Issued | 200 units | |
| Jan 10 | Received | 600 units | 2.40 |
| Jan 12 | Received | 300 units | 2.60 |
| Jan 14 | Issued | 250 units | |
17. The following data were obtained from the books of a manufacturing concern for the year ended March 31, 2018.
- Rent 10,000
Repairs to plant 6,000
Depreciation of plant 4,500
Employer's liability for insurance 1,500
Supervision 15,000
Fire insurance in respect of stock 5,000
Power 9,000
Light 1,200
- | | Dept. A | Dept. B | Dept. C | Dept. D |
|---------------------|----------|---------|---------|---------|
| Area(sq.mtr) | 1,500 | 1,500 | 500 | 500 |
| Number of employees | 40 | 10 | 5 | 5 |
| Total wages | 15,000 | 20,000 | 10,000 | 5,000 |
| Value of plant | 1,00,000 | 75,000 | 20,000 | 5,000 |
| HP of plant | 35 | 20 | 15 | 5 |
| Value of stock | 1,20,000 | 80,000 | 60,000 | 40,000 |
- You are required to prepare primary distribution summary showing the basis of apportionment.
18. Distinguish between over absorption and under absorption of overhead.
19. Explain the major objectives of budgetary control.





20. From the information given below, calculate P/V Ratio, Fixed expenses, Expected profit if sales is budgeted at Rs. 90, 000.

| Year | Sales | Profit |
|------|------------|---------|
| 2004 | 1,80, 000 | 30, 000 |
| 2005 | 2, 60, 000 | 50, 000 |

21. Discuss the objectives Cost Volume profit analysis.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. From the following particulars , prepare a Cost statement showing the component of Total cost and profit for the year ended 31st December 2017.

| | |
|-----------------------------------|----------|
| Purchase of raw materials | 3,65,000 |
| Carriage in wards | 15,500 |
| General expenses | 35,800 |
| Power expenses | 12,750 |
| Wages | 1,50,000 |
| Stock of raw materials 1.1.2017 | 50,000 |
| Stock of raw materials 31.12.2017 | 72,000 |
| Direct expenses | 53,000 |
| factory rent and rates | 8,550 |
| Factory employees salary | 72,000 |
| Work -in-progress 1.1.2017 | 17,000 |
| Work -in-progress 31.12..2017 | 15,000 |
| Work managers salaries | 45,000 |





| | |
|------------------------|----------|
| Insurance (office) | 4,800 |
| Rent (office building) | 15,000 |
| Selling expenses | 12,800 |
| Show room rent | 14,000 |
| Sales for the year | 9,40,000 |

23. The net profit of a company shows Rs.1,28,755 as per financial accounts. Prepare a statement of reconciliation.

| | |
|---|-----------|
| Works overhead under recovered in cost books | Rs.3,120 |
| Administrative overhead recovered in excess | Rs.1,700 |
| Depreciation recovered in cost accounts | Rs.12,500 |
| Depreciation charged in financial accounts | Rs.11,200 |
| Interest on investment not included in cost books | Rs.8,000 |
| Loss due to obsolescence charged in financial books | Rs.5,700 |
| Income tax provided in financial accounts | Rs.40,300 |
| Bank interest and transfer fee credited in financial accounts | Rs.750 |
| Stores adjustments (credited in financial accounts) | Rs.475 |
| Loss due to depreciation (charged in financial accounts) | Rs.6,750 |

24. The net profit of a manufacturing company appeared at Rs. 60,500 as per financial records for the year ended 31st March, 2019. A detailed comparison of the figures contained in both ,sets of books revealed the following factors responsible for their disagreement :Prepare a reconciliation statement.

| |
|---|
| Directors Fees not charged in cost accounts - Rs7,500 |
| Works Overhead under-recovered in costs –Rs 1,500 |
| Loss due to Obsolesce charged in financial accounts -Rs 3,500 |
| Administrative overheads over-recovered in costs- Rs 1,800 |
| Depreciation charged in financial accounts –Rs 10,000 |
| Depreciation recovered in costs- Rs 12,000 |
| Income Tax provided in financial accounts –Rs 54,500 |
| Interest on Investments not included in costs – Rs 5,000 |
| Transfer Fees credited in financial accounts -Rs 2,500 |
| Fine paid not included in costs - Rs1,200 |
| Discount on issue of debentures written off in financial accounts- Rs 2,000 |

25. Explain with examples how does management accounting help in planning and control functions of management.

(2×15=30)

