

**End Semester/Reappear (Semester II) Examination July 2022**

**Programme: BBA**  
**Subject: Cost and Management Accounting**  
**Subject Code: 11.156**  
**Enrollment No: \_\_\_\_\_**

**Full Marks: 70**  
**Time: 3 Hrs.**

**Section I**

- 1. Short Answer type questions. Answer any four.** **4 x 5 = 20**
- a. Distinguish between Standard Costing and Budgetary Control.
  - b. Define with example the joint product, By-product & Co-products.
  - c. What do you mean by ratio analysis? Discuss its limitations.
  - d. Differentiate between current ratio and liquid ratio. Which ratio is best and why?
  - e. Write a short note on Zero based budgeting.
  - f. Specify the methods of costing and cost units applicable to the following industries:
    - i. Bridge construction
    - ii. Ship building
    - iii. Advertising
    - iv. Bicycles
    - v. Toy making

**Section II**

- Long Answer type questions. Answer any three.** **3 x 10 = 30**
2. Explain the different methods of Cost Accounting and state the industries in which they can be applied.
  3. Proper interpretation of variances from standard is very important for the success of standard cost system as a tool for cost control. Evaluate some important factors that must be borne in mind when interpreting variances from standard.
  4. Discuss the limitations of financial accounting and point out how far management accounting helps in overcoming such limitations.
  5. Define 'flexible budget' and explain its importance as a budgeting technique and tool of control
  6. A firm has purchased a plant to manufacture a new product, the cost data for which is given below:
 

Estimated Actual sales	24000 units
Estimated costs:	
Direct Material	4.00 per unit
Direct Labour	0.60per unit
Overheads	24,000 per year
Administrative expenses	28,800 per year
Selling expenses	15% of sales

 Evaluate the selling price if profit per unit is 1.02.

**Section III**

- Application based questions. Answer any one.** **1 x 20 = 20**
7. The following information has been made available from the records of Golden Tools Ltd. For the six months of 2017 (and the sales of January 2018) in respect of product X:
    - i) The units to be sold in different months are:
 

July 2017: 1,100	November 2017: 2,500
August 2017: 1,100	December 2017: 2,300
September 2017: 1,700	January 2018: 2,000
October 2017: 1,900	
    - ii) There will be no work in progress at the end of any month.
    - iii) Finished units equal to half the sales of the next month will be in stock at the end of every month (including June 2017)
    - iv) Budgeted production and production cost for the year ending 31<sup>st</sup> December, 2017 are thus:
 

Production (units)	22,000
Direct material per unit	R.s 10

Direct wages per unit R.s 4  
 Total factory overhead apportioned to production 88,000

You are required to prepare: Production Budget for the six months of 2017.

8. a. For making 10 kg of gemco, the standard material requirement is: 15+5

Material A Quantity 8kg Rate per kg 6.00

Material B Quantity 4kg Rate per kg 4.00

During April, 1000kg of Gemco were produced. The actual consumption of material is as under:

Material A Quantity 750kg Rate per kg 7.00

Material B Quantity 500kg Rate per kg 5.00

Evaluate Material cost variance, Material price variance, Material yield variance, Material mix variance and Material yield variance.

b. Differentiate between controllable and uncontrollable cost with examples.

9. From the following Balance sheet of Wood Star Ltd, Prepare the cash flow statement:

PARTICULARS	Note No.	31 <sup>st</sup> March,2012(R.s)	31 <sup>st</sup> March,2013(R.s)
<b>I. Equity &amp; Liabilities</b>			
(1) Shareholders fund			
(a) Share capital		4,00,000	6,00,000
(b) Reserves & surplus		1,80,000	3,00,000
 (2) Current Liabilities			
(a) Trade payables		1,70,000	2,00,000
(b) Other current liabilities	1	20,000	15,000
<b>TOTAL</b>		<b>7,70,000</b>	<b>11,15,000</b>
 <b>II. Assets</b>			
(1) Non-current assets			
Fixed assets:	2	3,00,000	6,75,000
(i) Tangible assets	3	70,000	50,000
(ii) Intangible assets			
(2) Current assets			
(a) Inventories		1,40,000	1,00,000
(b) Trade receivable		2,20,000	2,30,000
(c) Cash & cash equivalents		30,000	40,000
(d) Other current asset	4	10,000	20,000
<b>TOTAL</b>		<b>7,70,000</b>	<b>11,15,000</b>

#### Notes to Accounts

PARTICULARS	31 <sup>st</sup> March, 2012 (R.s)	31 <sup>st</sup> March, 2013 (R.s)
<b>1. Other current liabilities</b>		
Outstanding expenses	20,000	15,000
<b>2. Fixed assets- Tangible</b>		
Plant and Machinery	3,00,000	6,75,000
<b>3.Fixed assets-Intangible</b>		
Patent	70,000	50,000
<b>4.Other Current assets</b>		
Debtors	10,000	20,000

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