REV-01
BBA/20/06

2025/05

SET C

BACHELOR OF BUSINESS ADMINISTRATION

FOURTH SEMESTER

COST AND MANAGEMENT ACCOUNTING

BBA – 401

[USE OMR FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

(Objective)

Time: 30 min. **Marks: 20**

Choose the correct answer from the following: *1×20=20*

1. Find the profit volume ratio the term profit
   a. Mean the sales in excess of total cost
   b. Means the same thing as a generally understood
   c. It is in fact refers to the contribution that is sales - variable cost.
   d. None of the above

2. Which of the following is NOT a component of prime cost?
   a. Direct materials
   b. Direct labour
   c. Factory rent
   d. Direct expenses

3. A business operates with a contribution of ₹100 per unit and fixed costs of ₹10,000. To earn a profit of ₹5,000, how many units must be sold?"
   a. 100 units
   b. 150 units
   c. 50 units
   d. 200 units

4. When total contribution equals total fixed costs, the company is said to be at..."
   a. Profit-maximization level
   b. Break-even point
   c. Margin of safety
   d. Target profit level

5. Which of the following variance arises when more than one material is used in the manufacture of the product.
   a. Material price variants
   b. Material uses variance
   c. Material yield variance
   d. Material mix variance

6. If standard our of 100 units of output are 400@ ₹2 per hour and actual our taken are 380@ ₹2.25 per hour then the labour rate variance is
   a. ₹95 adverse
   b. ₹100 adverse
   c. ₹25 Favorable
   d. ₹120 adverse

7. The term 'Contribution' in marginal costing refers to:
   a. Net profit
   b. Fixed cost minus profit
   c. Sales minus variable cost
   d. Variable cost minus fixed cost

8. If Standard Quantity = 500 kg, Actual Quantity = 600 kg, and Standard Price = ₹10/kg, what is the Material Usage Variance?
   a. ₹1,000 (Favorable)
   b. ₹1,000 (Adverse)
   c. ₹500 (Favorable)
   d. ₹500 (Adverse)

9. Material Cost Variance is calculated by:
   a. Standard Price – Actual Price) × Standard Quantity
   b. (Standard Price × Standard Quantity) – (Actual Price × Actual Quantity)
   c. (Standard Quantity – Actual Quantity) × Actual Price
   d. (Actual Quantity – Standard Quantity) × Standard Price

10. If Selling Price per unit = ₹100, Variable Cost per unit = ₹60, and Fixed Cost = ₹40,000, what is the Break-Even Point in units?
   a. 1000 units
   b. 800 units
   c. 400 units
   d. 500 units

11. Profit/Volume (P/V) Ratio is calculated using which formula?
   a. Contribution / Sales × 100
   b. Sales / Contribution × 100
   c. Profit / Fixed Cost × 100
   d. Variable Cost / Sales × 100

12. In marginal costing, the cost of product includes
   a. Prime cost only
   b. Prime cost and variable overheads
   c. Prime cost in fix overheads
   d. Prime cost and factory overheads

13. Factor which can change the break-even point
   a. Change in fix cost
   b. Change in variable cost
   c. Change in setting cost
   d. All of the above

14. Salary paid to factory store staff is a part of
   a. Factory overhead
   b. Production cost
   c. Direct employees' cost
   d. Direct material cost

15. Generally, for the purpose of cost sheet preparation, cost are classified on the basis of
   a. Functions
   b. Variability
   c. Relevance
   d. Nature

16. Primary packaging cost is the part of
    a. Direct material cost
    b. Production cost
    c. Selling overheads
    d. Distribution overheads

17. The allotment of whole items of cost to cost centres or cost unit is called
    a. Overhead absorption
    b. Cost apportionment
    c. Cost allocation
    d. None of the above

18. A taxi provided charges minimum ₹ 80 that after ₹ 12 per km of distance travelled the behaviour of conveyance cost is
    a. Fixed cost
    b. Semi-variable cost
    c. Variable cost
    d. Administrative cost

19. Cost unit used in power sector
    a. Kilometers
    b. Kilowatt hour
    c. Numbers of electric points
    d. Numbers of hour

20. Ticket counter in a railway station is an example of
    a. Cost centre
    b. Revenue centre
    c. Profit centre
    d. Investment centre

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Descriptive

Time: 2 hr. 30 mins. **Marks: 50**

[Answer question no.1 & any four (4) from the rest]

1. What is cost center? Enumerate the classification of cost on suitable basis. Explain the different types of cost that is used by the management in their decision-making process 2+3+5=10

2. In your own words explain the term 'overhead'. Enumerate the steps involved in the process of overhead allocation to cost center. 3+7=10

3. (a) The standard and actual figures for Product 'Z' are given below: 5+5=10

Particulars	Standard	Actual
Material Quantity	50 units	45 units
Material Price/Unit	₹1.00	₹0.80

You are required to calculate the following material cost variances:

1. Material Cost Variance
2. Material Price Variance
3. Material Usage Variance

(b) The standard and actual figures of a firm for a specific job are as follows:

Particulars	Amount
Standard Time for the Job	1,000 hours
Standard Rate per Hour	₹50
Actual Time Taken	900 hours
Actual Wages Paid	₹36,000

You are required to calculate the following labour variances:

1. Labour Cost Variance
2. Labour Rate Variance
3. Labour Efficiency Variance

4. In your own word define the term 'budget' with context to management accounting. explain the objectives and importance of budgetary control. illustrate the steps involved in the process of budgetary control. 2+3+5=10

5. 10

Prepare a statement of cost and statement of profit **for the period ended on 31st March 2023 from the following information:**

Particulars	**Amount (Rs.)**
Opening Stock of Raw Material	12,500
Purchases of Raw Material	1,36,000
Closing Stock of Raw Material	8,500
Direct Wages	54,000

Direct Expenses	12,000
Factory Overheads (80% of Direct Wages)	
Office and Administrative Overheads (20% of Works Cost)	
Selling and Distribution Overheads	26,000
Cost of Opening Stock of Finished Goods	12,000
Cost of Closing Stock of Finished Goods	15,000
Profit on Cost	20%

From the following calculate (a) cost of material consumed (b) prime cost (c) work cost/ factory cost ((d) administrative cost (d) cost of goods sold (e) Profit

6. SwagSAALtd. provides the following information for the month of March: 2*5=10

Particulars	( )
Total Sales	5,00,000
Variable Cost	3,00,000
Fixed Cost	1,20,000

From the above data, calculate:

1. Contribution
2. Profit
3. P/V Ratio
4. Break-even point (in)
5. Margin of Safety (and in %)

7. Explain and illustrate break-even points with the help of break-even chart 2+8=10

8. 10

Cosmic Fabrications Ltd. has two production departments and two service departments and provides the following data:

Department	P1	P2	S1	S2
Direct Materials	65,000	55,000	38,000	22,000
Direct Wages	28,000	33,000	9,000	20,000
Floor Area (sq. feet)	8,000	7,000	4,500	3,500
Value of Plant & Machinery	75,000	85,000	38,000	22,000
Value of Stock	45,000	40,000	9,000	8,000
No. of Workers	170	85	55	45
No. of Light Points	400	140	70	60
Horse Power of Machines	85	70	35	28

The indirect expenses for the period are as follows:

Cleaning & Janitorial Services: 4,000

Employee Insurance: 2,500

Security Services: 5,000

Employee Medical Welfare: 1,800

Advertising & Marketing: 3,500

Rent, Rates, Taxes & Utilities: 6,500

Depreciation on Equipment: 3,000

Prepare the Statement showing the apportionment of costs.