

BACHELOR OF BUSINESS ADMINISTRATION
Third Semester
Cost and Management Accounting
(BBA - 12)

Duration: 3Hrs.

Full Marks: 70

(PART-B: Descriptive)

Duration: 2 hrs. 40 mins.

Marks: 50

1. Answer the following questions (any five)

2×5=10

- a) What is cost accounting?
- b) What is management Accounting?
- c) What is Overheads?
- d) What is Absorption of Overheads?
- e) What is Cost Sheet?
- f) What is Variance?
- g) What is Budgetary Control?
- h) What is Break Even Point?

2. Answer the following questions (any five)

3×5=15

- a) What are the objectives of Cost Accounting?
- b) Explain the role of cost accounting in Decision making?
- c) Name the various types of costs and explain them?
- d) Explain the classification of Overheads?
- e) Explain the apportionment and Absorption of Overheads?
- f) What is Marginal Costing? Explain its Advantages.
- g) Define Standard Costing and note its Features.
- h) What are the importance of Budget?

3. Answer in brief (any five)

5×5=25

a) Prepare a Cost Sheet of the Following information:

Opening stock of Raw material: Rs 1,00,000
Opening stock of Work in Progress Rs 50,000.
Opening Stock of Finished Goods Rs 65,000
Closing stock of Raw material: Rs 90,000
Closing stock of Work in Progress Rs 40,000.
Closing Stock of Finished Goods Rs 55,000
Direct Wages Rs 10000
Indirect Labour Rs 11,000
Direct Material Rs 90,000
Factory Rent Rs 12,000
Office and Distribution Rs 12,000
Salesman Salaries Rs 15,000
Direct Tax Rs 40,000
Drawing Office Salary Rs 16,000
Indirect material Rs 12,890
General Charges Rs 11,000
Audit Fess Rs 15800
Managers Salary Rs 15000
Sales Rs 5,00,000

b) Sales Rs 1,50,000 and profit for the period I Rs 4,000 and Sales Rs 190000 and profit for that period Rs 12,000.

Calculate i. Profit Volume Ratio. ii. Break Even Point. iii Contribution.

c) Calculate the variance.

One unit of material standard:

Material X : 6kg @ Rs 8

Material Y : 4 kg@ Rs 10

In a week 1000 units were produced and the actual production are:

Material X 5900 kg @ Rs 9

Material Y 4800kg @Rs 9.50

Calculate the following:

i. Material Price Variance.

ii. Material Usage Variance.

iii. Material Yield Variance.

d) Calculate Labour Variance

A company, working for 50 hrs a week employs 100 workers on Job. The standard rate is Rs1 and the standard output is 200 gangs per hrs. During a week, 10 workers are paid 80 paise per hour, 5 employees @1.20 paise and rest at standard rate. Actual amount of unit produced 10,800 units.

1. Labour Cost Variance, Labour Yield Variance, Labour mix Variance

e) Prepare the format of cost sheet for a industrial company

f) Explain the following budgets

i. Cash Budget

ii. Flexible Budget.

i. Fixed Budget.

g) What are the main objectives, limitation of Marginal Costing?

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(The figures in the margin indicate full marks for the questions)

Duration: 20 minutes

Marks – 20

PART A- Objective Type

I. Multiple choice questions:

1×20=20

1. Cost Accounting is the technique and process of ascertainment of _____
 - i. Cost
 - ii. Price
 - iii. Rate
 - iv. Wages
2. The Objective of Cost Accounting aims at _____
 - i. Recording and Analysing expense
 - ii. Find the turn cost
 - iii. Providing knowledge about product
 - iv. Efficiency of cost
3. The Cost which are ascertained after they have incurred _____
 - i. Historical Cost.
 - ii. Pre-Determined Cost
 - iii. Standard Cost
 - iv. Fixed Cost
4. It refers to those materials which become the major of the end product _____
 - i. Direct Material
 - ii. Variable Material
 - iii. Packing Products
 - iv. Expenses
5. _____ is the method of assign of organizational duties through activites to products and services to customer
 - i. Activity Based Costing
 - ii. Always Better Control
 - iii. Marginal Costing
 - iv. Budgetory Control

6. _____ accounting calculate the profitability of the Business.
- Financial Accounting
 - Cost Accounting
 - Management Accounting
 - Forensic Accounting
7. Re-order Level $-(\text{Normal Consumption} \times \text{Normal Re-order period}) =$ _____
- Minimum Level
 - Maximum Level
 - Economic Order Quantity
 - None of the Above
8. _____ are identified as those expenses which are easily identifiable and attributed to individual products or units.
- Direct Expenses
 - Administrative Expenses
 - Productive Expenses
 - Indirect Expenses
9. _____ is defined as the indirect labour, indirect expenses and indirect expenses, including services which cannot be charged to cost to direct product.
- Overheads
 - Administrative Expenses.
 - Indirect Labour
 - Indirect wages
10. _____ refers to the distribution of overheads into different segment on equitable basis
- Apportionment
 - Allocation
 - Budgets
 - Marginal Costing
11. Which one of the items is excluded from Cost sheet?
- Direct Tax
 - Direct Labour
 - Direct Material
 - Direct Wages
12. _____ is the Costing which is carried out by specific job orders.
- Job Costing
 - Batch Costing
 - Product Costing
 - Contract Costing
13. CIMA, London Defines _____ Costing “is that form of costing which applies where standardized goods are produced”
- Process Costing
 - Marginal Costing
 - Batch Costing
 - Single output Costing

14. If Actual Loss is more than Normal Loss in known as _____
- Normal Gain
 - Abnormal Gain
 - All the Above.
 - None of the Above
15. _____ is one of the tool that helps the management in taking decision about the profitability of the undertaking
- Marginal Costing
 - Activity Based Costing.
 - Budgetory Control
 - Break-Even Point.
16. The Point where is no profit and no loss is known as
- Break –Even Point
 - Marginal Cost
 - Cost- Volume- Analysis
 - None of the Above
17. $\frac{\text{Marginal Contribution}}{\text{Sales}}$ =
- Profit-Volume Ratio
 - Break Even Point
 - Contribution
 - None of the Above.
18. Total Sales- Break Even Point (Sales) =
- Margin of Safety
 - Break Even Point
 - Contribution
 - None of the Above.
19. _____ is a predetermined cost of single or a multiple units of goods and services for a future period
- Standard Costing
 - Marginal Costing
 - Absorption Costing
 - None of the above
20. _____ is the Difference Between Standard Yield and Actual Yield.
- Material Yield Variance
 - Material Cost Variance
 - Material Usage Variance
 - Standard Quantity
