

(PART B : Descriptive)

Time: 2 hrs. 40 min.

Marks: 50

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

1. What do you mean by cost? Classify cost on the basis of its behavior and traceability. (2+4+4=10)
2. For the production of 10000 electric automatic irons; the following are the budgeted expenses:

Particulars	Per Unit (Rs.)
Direct Material	60
Direct Labour	30
Variable Overhead	25
Fixed Overhead (150000)	15
Variable Expenses (Direct)	5
Selling Expenses (10% Fixed)	15
Administration Expenses (RS.50000 Rigid)	5
Distribution Expenses (20% Fixed)	5

- Prepare a budget for the production of 7000 and 8000 irons. (10)
3. Discuss the nature and importance of management accounting. (5+5=10)
 4. What do you mean by labour turnover? State the various causes and effects of labour turnover. (2+4+4=10)
 5. Explain briefly Time Rate and Piece Rate system of wage payment. (5+5=10)
 6. What do you mean by marginal costing? Explain the role of marginal costing in managerial decision making process. (2+8=10)
 7. Write the meaning of budgetary control. Discuss the functions and roles of budgetary control. (2+4+4=10)
 8. What is cost accounting? State the objectives of cost accounting. Write the differences between cost accounting and management accounting. (2+4+4=10)

B. Com
FOURTH SEMESTER
COST & MANAGEMENT ACCOUNTING
BCM – 20 B/ BCM – 405 B

(Use separate answer scripts for Objective & Descriptive)

Duration: 3 hrs.

Full Marks: 70

(PART A : Objective)

Time: 20 min.

Marks: 20

Choose the correct answer from the following:

1×20=20

1. Which of the following is not considered while calculating current ratio?
a) Debtors b) Stock
c) Debentures d) Creditors
2. The excess of selling price per unit over variable cost per unit is called:
a) Profit b) Contribution
c) Fixed cost d) None of the above
3. The budget which summarise various functional budget is called:
a) Master Budget b) Production Budget
c) Sales Budget d) Capital Expenditure Budget
4. Which of the following is/are tool(s) of management accounting?
a) Ratio Analysis b) Financial Statement Analysis
c) Budgetary Control d) All of the above
5. Which of the following is not the function of cost accounting?
a) Ascertaining the cost of the product.
b) Disclosing the profit or loss of the entire business.
c) Controlling cost of the product.
d) Elimination of wastages.
6. Which of the following is the feature of direct labour?
a) It is a part of prime cost.
b) It is apportioned to cost centre.
c) It cannot be identified with finished product.
d) It is treated as overhead.
7. Which of the following is/are considered while preparing sales budget?
a) Seasonal fluctuation b) Past sales figures
c) Orders in hand d) All of the above
8. Which of following is not a financing activity?
a) Issue of shares b) Redemption of debenture
c) Purchase of machinery d) Taking loans from financial institution

9. Which of the following is obtained by a business at Break –Even –Point sale?

- a) Contribution < Fixed Cost
- b) Contribution = Fixed Cost
- c) Contribution > Fixed Cost
- d) None of the above

10. Material cost variance is the aggregate of:

- a) Material Cost and Material Price Variance.
- b) Material Price Variance and Material Usage Variance.
- c) Material Mix Variance and Material Yield Variance.
- d) None of the above.

11. Which of the following is a/are function(s) of cost accounting?

- a) Ascertainment of financial position of a firm.
- b) Ascertaining profit or loss of the firm.
- c) Controlling of cost.
- d) All of the above.

12. Cost which can be conveniently identified with a particular cost centre or cost unit is called:

- a) Direct cost
- b) Indirect cost
- c) Overheads
- d) None of the above

13. Time taken in picking up the task for the day by a labour is considered as:

- a) Normal idle time
- b) Abnormal idle time
- c) Overtime
- d) None of the above

14. The study of movements of a worker or a machine in performing an operation is termed as:

- a) Job analysis
- b) Job evaluation
- c) Time study
- d) Motion study

15. When the responsibility for variances cannot be assigned to a particular person or department is termed as:

- a) Favourable variance
- b) Unfavourable variance
- c) Controllable variance
- d) Uncontrollable variance

16. Under which of the following wage system idle time is not paid for?

- a) Time wage system
- b) Piece wage system
- c) Both a and b
- d) None of the above

17. Which of the following technique(s) of management accounting is/are used to take long term decision?

- a) Cost-Volume-Profit Analysis
- b) Budgetary Control
- c) Capital Budgeting
- d) All of the above

18. Which of the following is prepared to ascertain the operating result of a business during an accounting period?

- a) Cash flow statement
- b) Statement of Profit and Loss
- c) Balance Sheet
- d) All of the above

19. The ratio which shows the proportion of assets financed by shareholders fund is called:

- a) Proprietary Ratio
- b) Debt- Equity Ratio
- c) Fixed Assets to Proprietor's Fund Ratio
- d) None of the above

20. Which of the following is an operating activity under Cash Flow Statement?

- a) Purchase of fixed asset
- b) Payment of interest on debenture
- c) Payment of dividend
- d) Payment of salaries
