

**BACHELOR OF BUSINESS ADMINISTRATION
THIRD SEMESTER [REPEAT]
COST AND MANAGEMENT ACCOUNTING
BBA – 302**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. The cost Accounting system is developed for ____
 - a. Financial institution
 - b. Government
 - c. Management
 - d. Shareholders
2. Cost Accounting is an _____ reporting system.
 - a. Internal
 - b. Financial
 - c. External
 - d. Government
3. A location for which cost is incurred is a ____
 - a. Revenue Center
 - b. Profit center
 - c. Cost center
 - d. Production center
4. Overheads incurred in connection with factory is called _____ overheads
 - a. Factory
 - b. Selling
 - c. Office
 - d. None of the above
5. The cost which remains constant irrespective of output is called _____ cost.
 - a. Variable
 - b. Fixed
 - c. Sunk
 - d. Product
6. Element/s of Cost of a product are
 - a. Labour
 - b. Material
 - c. Expenses
 - d. All of the above
7. Conversion cost includes cost of converting.....into.....
 - a. Raw material, WIP
 - b. WIP , Finished products
 - c. Raw material, finished product
 - d. Finished product, saleable goods
8. Standard costing is a technique of
 - a. Basic business activities
 - b. Staffing
 - c. Cost control
 - d. Directing
9. Cost of production report is a ____
 - a. Financial report
 - b. Production process report
 - c. Order sheet
 - d. None of the above
10. The difference between total revenue and total variable cost is known as ____
 - a. Contribution margin
 - b. Gross margin
 - c. Fixed margin
 - d. None of the above

11. Marginal costs is taken as equal to
- a. Prime Cost plus all variable overhead
 - b. Prime Cost minus all variable overheads
 - c. Variable overhead
 - d. None of the above
12. Contribution margin is also known as
- a. Marginal income
 - b. Marginal cost
 - c. Sales
 - d. Revenue
13. Which cost is more useful for making decision?
- a. Marginal cost
 - b. Variable cost
 - c. Opportunity cost
 - d. None of the above
14. Marginal costing technique helps management in taking decision regarding
- a. Price of the product
 - b. Make or buy decision
 - c. To accept order at low price
 - d. All of the above
15. Difference between standard cost and actual cost is known as
- a. Variance
 - b. Standard cost
 - c. Profit
 - d. Loss
16. Which of the following is the advantage of standard costing?
- a. Promoting and measuring efficiency
 - b. Controlling and reduction cost
 - c. Helps in fixing selling price
 - d. All of the above
17. CIMA Stands of:
- a. Chartered Institute of Management Accountants
 - b. Common Institute of Management Accountants
 - c. Chartered International of Management Accountants
 - d. None of the above
18. A budget is an instrument of management used as an aid in the
- a. Planning
 - b. Controlling business activities
 - c. Programming
 - d. All of the above
19. Budget includes
- a. Income
 - b. Expenditure
 - c. Employment of capital
 - d. All of the above
20. A Budget should be
- a. Rigid
 - b. Flexible
 - c. Both A and B
 - d. None of the above

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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 accounting? Write the difference between cost accounting and management accounting. 2+8=10

2. Calculate Factory Cost from the following 10

Material consumed	60000
Productive wages	20000
Direct expenses	5000
Consumable stores	2000
Oil grease	500
Salary of factory manager	6000
Unproductive wages	1000
Factory cost	2000
Repair and depreciation of machine	600

3. Write down the classification of Cost according to elements, functions and behavior. 10

4. SOLVE THE FOLLOWING: 10

VARIABLE COST	600000
FIXED COST	300000
PROFIT	200000
SALES	1000000

FIND:

 - 1) PV Ratio
 - 2) Breakeven point
 - 3) Profit when the sales amount is 180000
 - 4) MOS (margin of safety)

5. a) Write down the meaning and characteristics of Marginal costing? 5+5=10
b) What are the applications of marginal costing?

6. Explain how Standard costing can be used in a organization. Discuss its advantages and disadvantages. 10

7. A manufacturing concern which has adapted standard costing has furnished the following information: 10

Standard material for 70kg finished products	=100 kg
Price of material	Rs 1/kg
Actual output	210000 kg
Material used	280000 kg
Cost of material	Rs 252000

Calculate:

- a) Material usage variance
- b) Material Price variance
- c) Material Cost variance

8. What is Budget write its features. Explain the advantages and disadvantages of Budget.

5+5=10

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