

FOURTH SEMESTER BBA DEGREE EXAMINATION, APRIL 2024

BBA

GBBA4B06T: COST AND MANAGEMENT ACCOUNTING

Time: 2.5 Hours

Maximum Marks: 80

**SECTION A: Answer the following questions. Each carries *two* marks
(Ceiling 25)**

1. Define overhead
2. What do you mean by Variable Cost
3. State the limitations of CVP analysis
4. Calculate EOQ
Annual Consumption-600 unit
Ordering cost- ₹12 per order
Carrying Cost-20%
Price per unit- 20
5. What is contribution?
6. Explain the break even analysis in the profit planning
7. Define and explain the terms cost unit and cost centre
8. State the advantages of Time wage system
9. Distinguish between direct labour and indirect labour
10. From the following information, find out the amount of contribution
Fixed Cost- ₹500000
Variable cost- ₹10 per unit
Selling Price- ₹15 per unit
Output level- 150000 units
11. What is step lader method?
12. What is opportunity cost?
13. What are the methods of pricing material issues?
14. What is Machine Hour Rate(MHR) and for what purpose it is adopted?
15. Define cost accounting

**SECTION B: Answer the following questions. Each carries *five* marks
(Ceiling 35)**

16. Distinguish between Job costing and Process costing
17. What is angle of incidence? Explain its significance
18. A factory produces 100 units of a commodity. From the following information prepare cost sheet:

Direct material- ₹10000
Direct wages- ₹5000
Direct expense- ₹1000
Factory overhead- ₹6500
Administrative overhead- ₹3480

19. From the following data for the last twelve months compute the stock level for a component

Maximum usage in a month- 400 Nos.
Minimum usage in a month- 200 Nos.
Average Usage in a month- 350 Nos.
Time lag procurement of material : maximum 6 months , minimum : 2 months
reorder quantity- 800 Nos

20. From the following particulars prepare process account and calculate abnormal loss

Input of raw material- 1200 unit @ ₹6 per unit
Direct labour- ₹4800
Factory expense- ₹5610
Scrap value of process loss – 50 Paise per unit
Net production- 1060 Unit
Normal loss- 10% of input

21. Find out P/V Ratio, BEP and Margin of safety from the following

Sales- ₹100000
Total cost- ₹80000
Fixed cost- ₹20000
Net profit- ₹20000

22. With the following data for a 60% activity prepare budget for production @ 80% and 100% activity

Production @ 60% activity- 600 units
Material – ₹100 per unit
Labour – ₹40 per unit
Expenses – ₹10 per unit
Factory expense- ₹40000 (40% fixed)
Administrative expense- ₹30000 (60% fixed)

SECTION C: Answer any two questions (2 × 10 = 20 Marks)

23. “Cost may be classified according to their nature and a number of other characteristics” discuss this statement while classifying cost

24. From the following particulars write up the priced stores ledger under FIFO

May 01- Balance 50 units @ ₹25 per unit
03 – Received 300 units @ ₹30 per unit
05- Issued 200 unit
07- Issued 120 unit
08- Received back 10 units (issued on 7th May)
10- Returned to vendor 15 units purchased on 3rd May
15- Received 200 units @ ₹32

18- Issued 150 units

19- Issued 50 units

The stock verifier found a shortage of 10 units on 20th May.

25. From the following particulars prepare statement showing the components of the total sales and the profit for the year ended 31st December

Stock of finished goods(1st January)- ₹6000

Stock of Raw material (1st January)- ₹40000

Work-in progress(1st January)- ₹15000

Purchase of raw material- ₹475000

Carriage inwards- ₹12500

Factory rent, taxes- ₹7250

Other production expenses- ₹43000

Stock of goods(31st December)- ₹15000

Wages- ₹175000

Works managers salary- ₹30000

Factory employees salary- ₹60000

Power expenses ₹9500

General expenses- ₹32500

Sales for the year- ₹860000

Stock of raw material- ₹50000

Work-in progress (31st December)- ₹10000

26. A product passes through three processes. During March 2021, 1000 finished units were produced with the following expenditure:

	Process A	Process B	Process C
Direct Material	1000	2000	1000
Direct Labour	5000	4000	3000
Direct Expenses	500	600	1000

Overhead expenses amounted in all to ₹6000. They are to be apportioned on the basis of direct wages. Main raw materials issued to process A (besides above) were ₹6000. Prepare process account.