

FIFTH SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2022

BBA HONOURS

GBAH5B20T: COST AND MANAGEMENT ACCOUNTING

Time: 3 Hours

Maximum Marks: 80

PART A: Answer all the questions. Each carries 1 mark.**Choose the correct answer.**

- Cost accounting is a:
 - Positive Science
 - Normative Science
 - Positive & Normative
 - None of the above
- When production is below standard specification or quality and cannot be rectified by incurring additional cost, it is called _____.
 - Defective
 - Spoilage
 - Waste
 - Scrap
- A flexible budget requires careful study and classification of expenses into:
 - Past and current expense
 - Fixed, Semi-variable & variable expenses
 - Administrative, selling and factory expenses
 - None of the above
- Overheads consist of all the following except _____.
 - Indirect materials
 - Factory utilities
 - Direct labour
 - Indirect labour
- Which of the following transactions will improve the Current Ratio?
 - Purchase of Goods for Cash.
 - Payment to Trade Payables.
 - Credit purchase of Goods.
 - Cash collected from Trade Receivables.

Fill in the Blanks.

- Financial analysis is helpful in assessing the _____ and profitability of a firm.
- _____ report provides rationed findings.
- To know from where cash comes from in a business, a statement is prepared called as _____
- Comparative statement analysis is also known as _____
- Administration overheads are usually absorbed as a percentage of _____

(10 × 1 = 10 Marks)**PART B. Answer any eight questions. Each carries 2 marks.**

- Name two basic methods of costing.
- What is cost centre?
- What do you understand by 'weighted average method' of stock valuation?
- Mention any two aspects of material control.
- What are Common size statements?

(PTO)

16. What do you understand by Master Budget?
17. What is the importance of ratio analysis in accounting?
18. "While variable costs are controllable, fixed costs are not." Comment.
19. What should be the frequency of reporting?
20. Mention the objectives of cash flow statement

(8 × 2 = 16 Marks)

PART C: Answer any six questions. Each carries 4 marks.

21. "Costing system has become an essential tool in the hands of management." Comment
22. Draw a Proforma Cost Sheet
23. Explain the average cost method of pricing raw materials issued to production centre.
24. What is the difference between allocation and apportionment of overhead?
25. State the analytical methods and devices used in analysing financial statements.
26. "Ratios analysis is only a technique, for making judgements and not a substitute for judgements." Examine.
27. Discuss the significance of projected cash flow statement in decision making.
28. What is flexible budget? How is it prepared?

(6 × 4 = 24 Marks)

PART D: Answer any two questions. Each carries 15 marks.

29. Following transactions took place in respect of an item of material:

Date	Receipts Quantity	Rate	Issue Quantity
2 - 9 - 2022	200	2.00	
10 - 9 - 2022	300	2.40	
15 - 9 - 2022			250
18 - 9 - 2022	250	2.60	
20 - 9 - 2022			200

Record the above transactions in the store ledger, pricing the issues at:

- (a) Simple Average rate (b) Weighted average rate

30. State the factors which a cost accountant should consider while introducing a costing system.
31. Elucidate the types of management reports.

(2 × 15 = 30 Marks)