

C 41155

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Name.....

Reg. No.....

**FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
APRIL 2023**

B.B.A.

BBA 4B 06—COST AND MANAGEMENT ACCOUNTING

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

**Part A***Answer all questions.*

1. What is meant by Costing ?
2. What is meant by Time rate system of wages ?
3. What is meant by Cost Sheet ?
4. What is meant by EOQ ?
5. What is meant by Reorder level ?
6. What is meant by Bin card ?
7. What is meant by VED analysis ?
8. What is meant by Stores Ledger ?
9. What is Perpetual Inventory System ?
10. What is Labour Turnover ?
11. What is Budgetary Control ?
12. What is meant by flexible budget ?
13. What is Break Even Point ?
14. What is Margin of Safety ?
15. What is meant by Prime Cost ?

(15 × 2 = 30, Maximum Ceiling 25 Marks)

**Part B***Answer all questions.*

16. Fixed cost Rs. 8,000.  
Profit earned Rs. 2,000.  
Break even sales Rs. 40,000.  
What is the actual sales ?

**Turn over**

17. Materials X and Y are used as follows :

Minimum usage - 50 units each per week

Maximum usage - 150 units each per week

Normal usage - 100 units each per week

Ordering quantities :

X = 600 units

Y = 1,000 units Delivery period

X = 4 – 6 weeks

Y = 2 – 4 weeks.

Calculate for each material : (i) Maximum level ; (ii) Minimum level ; and (iii) Ordering level ?

18. Differentiate between Cost Accounting and Management Accounting ?

19. What is Store Keeping ? State its objectives ?

20. Advantages and Disadvantages of Time Rate System ?

21. Elaborate the various classifications of Cost Centres ?

22. From the following figures ascertain the break-even sales and margin of safety ; Sales = 20,00,000  
Fixed Costs = 5,00,000 Variable costs = 12,00,000 ?

23. From the following comparative statements of the years 2010 and 2011 :

(a) Find out whether the year 2011 showed an overall better performance or otherwise :

(b) Possible causes of difference :

		2010	2011
		Rs.	Rs.
Wages incurred	...	2,80,000	5,10,000
Units produced	...	16,000	25,000
Average number of workers	...	225	400

(Assume production of only one quality and same machinery conditions in both years)

(8 × 5 = 40, Maximum Ceiling 35 Marks)

### Part C

*Answer any two questions.*

24. Write an Essay on various Premium Bonus Plans ?

25. From the following you are required to prepare a statement showing the issues made under LIFO method :

Date Opening Balance 100 units at 10 each :

1 Received 200 units at R10.50 each

2 Received 300 units at 10.60 each

- 4 Issued 400 units to Job A vide MR No. 3
- 6 Issued 120 units to Job B vide MR No. 4
- 7 Received 400 units at 11 each
- 10 Issued 200 units to Job C vide MR No. 5
- 12 Received 300 units at R11.40 each
- 13 Received 200 units at 11.50 each
- 15 Issued 400 units to Job D vide MR No. 6.

26. The following particulars have been extracted from the books of a manufacturing company for the month of March, 2011 :

	Rs.
Stock of materials as on 1 <sup>st</sup> March, 2011	... 47,000
Stock of materials as on 31 <sup>st</sup> March, 2011	... 50,000
Materials purchased during the month	... 2,08,000
Drawing office salaries	... 9,600
Counting house salaries	... 14,000
Carriage on purchases	... 8,200
Carriage on sales	... 5,100
Cash discount allowed	... 3,400
Bad debts written off	... 4,700
Repairs of plant, machinery and tools	... 10,600
Rent, rates, taxes and insurance (factory)	... 3,000
Rent, rates, taxes and insurance (office)	... 1,000
Travelling expenses	... 3,100.
Travelers' salaries and commission	... 8,400
Productive wages	... 1,40,000
Depreciation written off on plant, machinery and tools	... 7,100
Depreciation written off on office furniture	... 600
Directors' fees	... 6,000
Gas and water charges (factory)	... 1,500
Gas and water charges (office)	... 300
General charges	... 5,000
Managers salary	... 12,000

Turn over

Out of 48 working hours in a week, the time devoted by the Manager to the factory and office was on an average 40 hours and 8 hours respectively throughout the month. 1,00,000 units were produced and sold ; there was no opening or closing stock of ft.

Prepare a cost sheet showing the following :

- (i) Cost of Materials Consumed :
- (ii) Prime Cost.
- (ii) Works Overhead.
- (iv) Works Cost.
- (v) Office and Administration Overhead.
- (vi) Cost of Production.
- (vii) Selling and Distribution Overhead and
- (viii) Total Cost or Cost Sales.

27. AB Ltd is engaged in the process engineering industry. During the month, October 2007, 2000 units were introduced in process 'X'. The normal loss is estimated at 5 % of input. At the end of the month, 1400 units had been produced and transferred to process 'Y', 460 were incomplete units, and 140 units had to be scrapped at the end of the process. The incomplete units reached the following degree of completion : Material: 75 %, Labor: 50 %, overheads: 50 %

Following are the further details regarding process X.

Cost of 2,000 units introduced : Rs. 58,000

Additional material consumed Rs. 14,400

Direct labor : Rs. 33,400

Allocated overheads : Rs. 16,700

Note : The scrapped units fetched Rs. 10 each.

Required : [As per First in First Out Method].

- (A) Statement of equivalent production.
- (B) Statement of cost.
- (C) Statement of evaluation.

(2 × 10 = 20 marks)