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Name.....

Reg. No.....

**FOURTH SEMESTER (CBCSS-UG) DEGREE EXAMINATION
APRIL 2024**

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 Cost ?
2. What is meant by Direct Material ?
3. What is meant by Overhead ?
4. What is meant by Management Accounting ?
5. What is meant by ABC Analysis ?
6. What is meant by Budget ?
7. What is meant by buffer stock ?
8. What is meant by inventory control ?
9. What is meant by Cost unit ?
10. What is Direct Labour cost ?
11. What is Idle Time ?
12. What is meant by fixed budget ?
13. What is Zero Base Budgeting ?
14. What is Break Even Analysis ?
15. What is meant by Marginal Cost ?

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

Turn over

Part B*Answer all questions.*

16. Fixed cost = Rs. 12000
Selling price = Rs. 12 per unit
Variable cost = Rs. 9 per unit
What will be the profit when sales are Rs. 60,000 ?
17. A factory requires 1,500 units of an item per month. The cost of each unit is 27. The cost per order is 150 and inventory carrying charge works out to 20% of the average inventory. Find out the economic order quantity (EOQ).
18. Differentiate between Bin Card and Stores Ledger.
19. Elaborate the nature of management Accounting.
20. What is meant by spoilage? State its Accounting treatments ?
21. What is Differential Piece Rate system? When is it used ?
22. In a factory guaranteed wages at the rate of 18.00 per hour are paid in a 48-hour week. By time and motion study it is estimated that to manufacture one unit of a particular product 20 minutes are taken. The time allowed is increased by 25%. During one week Abraham produced 180 units of the product. Calculate his wages under each of the following methods : (a) Time rate, (b) Piece-rate with a guaranteed weekly wage.
23. The following information is obtained from the records of a factory regarding the execution of two orders for the same quantity of a commodity :

	Materials	Wages	Sale Price	Percentage of Profit on Cost of Production %
	Rs.	Rs.	Rs.	
First order	25,000	20,000	85,000	10
Second order	36,000	28,000	1,23,760	12

Find out the percentage of Factory Overheads and Office Overheads.

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

Part C*Answer any two questions.*

24. Explain in detail on Classification of Costs.
25. The following is a summary of the receipts and issues of materials in a factory during a month:

Date

- 1 Opening balance 500 units @ R25 per unit.
- 3 Issue 70 units
- 4 Issue 100 units
- 8 Issue 80 units
- 13 Received 200 units @ 24.50 per unit.
- 14 Returned to store 15 units @ 24 per unit
- 16 Issue 180 units
- 20 Received 240 units @ 24.75 per unit
- 24 Issue 30 units
- 25 Received 320 units @ 24.50 per unit
- 26 Issue 112 units
- 27 Returned to store 12 units @ 24.50 per unit
- 28 Received 100 units at 25 per unit.

Workout on the basis of FIFO. It is revealed that there was a shortage of 5 units on 15th and 8 units on 27th.

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 st March, 2011	47,000
Stock of materials as on 31st 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

Turn over

	Rs.
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

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.
- (iii) Works Overhead.
- (iv) Works Cost.
- (v) Office and Administration Overhead.
- (vi) Cost of Production.
- (vii) Selling and Distribution Overhead and
- (vii) Total Cost or Cost Sales.

27. The following information has been obtained from the records of ABC Co. Ltd. for the month of January, 2011 :

	Rs.
Cost of raw materials on 1/01/2011	30,000
Purchase of raw materials during the month	1,50,000
Wages paid	2,30,000
Factory overheads	92,000
Cost of work-in-progress on 1/01/2011	12,000
Cost of raw materials on 30 /01/2011	25,000
Cost of work-in-progress on 30 /01/2011	15,000
Cost of stock of finished goods on 1 /01/2011	60,000
Cost of stock of finished goods on 30 /01/2011	55,000
Administration overheads	30,000
Selling and distribution overheads	20,000
Sales	9,00,000

Prepare, (i) Cost sheet showing the cost of production of goods manufactured ; and (ii) Statement showing the cost of sales and the profit earned.

(2 × 10 = 20 marks)