

Roll No.

Total No. of Pages : 03

Total No. of Questions : 18

**BBA (2018 Batch) (Sem.-3)**  
**COST & MANAGEMENT ACCOUNTING**  
Subject Code : BBA303-18  
M.Code : 76657

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTIONS TO CANDIDATES :**

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B consists of FOUR Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains TWO questions each, carrying TEN marks each.
4. Students have to attempt any ONE question from each Sub-section.

**SECTION-A**

**Write briefly :**

- Q1. What are the advantages of Management Accounting?
- Q2. Define Ratio Analysis.
- Q3. What is Variance Analysis?
- Q4. Define Budget.
- Q5. Write two examples of Indirect Expenses.
- Q6. Cost of goods sold is Rs. 1,20,000; Sales is Rs 2,10,000. Calculate gross profit ratio.
- Q7. Define Standard Cost.
- Q8. Define Key Factor.
- Q9. Define Fixed and Variable Cost.
- Q10. List the objectives of cost accounting.

## SECTION-B

### UNIT-I

- Q11. State the difference between cost and management accounting.
- Q12. You are given the following extracts from financial statements of XYZ company as on 31-3-2018 :

Balance Sheet :

| Liabilities          | Amt.            | Assets                 | Amt.            |
|----------------------|-----------------|------------------------|-----------------|
| Share capital        | 3,00,000        | Building               | 1,50,000        |
| Sundry creditors     | 48,000          | Machinery              | 85,000          |
| Bills Payable        | 10,000          | Stock                  | 50,000          |
| Bank Overdraft       | 5,000           | Debtors                | 59,000          |
| Outstanding expenses | 2,000           | Prepaid expenses       | 1,000           |
|                      |                 | Cash                   | 4,000           |
|                      |                 | Short term investments | 16,000          |
|                      | <b>3,65,000</b> |                        | <b>3,65,000</b> |

You are required to calculate liquidity and comment on :

- i. Current ratio      ii. Liquid ratio      iii. Absolute Liquid ratio

### UNIT-II

- Q13. From the following balance sheet B Ltd. for the year ending 31<sup>st</sup> December 2018 and 2019, prepare comparative Balance Sheet.

| Liabilities                       | 31 <sup>st</sup> Dec<br>2018 | 31 <sup>st</sup> Dec<br>2019 | Assets               | 31 <sup>st</sup> Dec<br>2018 | 31 <sup>st</sup> Dec<br>2019 |
|-----------------------------------|------------------------------|------------------------------|----------------------|------------------------------|------------------------------|
| Equity Share Capital              | 3,00,000                     | 4,00,000                     | Goodwill             | 60,000                       | 55,000                       |
| 6 % Redeemable Preference capital | 80,000                       | 50,000                       | Land & Building      | 1,25,000                     | 85,000                       |
| Capital Reserve                   |                              | 20,000                       | Plant & Machinery    | 1,20,000                     | 2,25,000                     |
| General Reserve                   | 30,000                       | 40,000                       | Furniture            | 15,000                       | 12,000                       |
| Profit and Loss A/c               | 26,000                       | 35,000                       | Trade Investment     | 12,000                       | 48,000                       |
| Sundry Creditors                  | 30,000                       | 58,000                       | Sundry Debtors       | 65,000                       | 1,05,000                     |
| Bills Payable                     | 12,000                       | 8,000                        | Stock                | 90,000                       | 84,000                       |
| Outstanding Expenses              | 6,000                        | 5,000                        | Bills Receivable     | 16,000                       | 30,000                       |
| Proposed Dividend                 | 30,000                       | 42,000                       | Cash in hand         | 13,000                       | 20,000                       |
| Provision for Taxation            | 32,000                       | 36,000                       | Cash at Bank         | 15,000                       | 20,000                       |
|                                   |                              |                              | Preliminary Expenses | 15,000                       | 10,000                       |
|                                   | <b><u>5,46,000</u></b>       | <b><u>6,94,000</u></b>       |                      | <b><u>5,46,000</u></b>       | <b><u>6,94,000</u></b>       |

Q14. Explain the Standard Costing and Variance Analysis. Also discuss its advantages and limitations.

#### UNIT-III

Q15. What is Zero Based Budgeting? State its advantages and limitations.

Q16. Prepare a flexible budget for production for 80% and 100% activity on basis of following information :

|                            |                        |
|----------------------------|------------------------|
| Production at 50% capacity | 5000 units             |
| Raw materials              | Rs. 80 per unit        |
| Direct labour              | Rs. 50 per unit        |
| Direct Expenses            | Rs. 15 per unit        |
| Factory expenses           | Rs. 50,000 (50% fixed) |
| Administration expenses    | Rs. 60,000 (60% fixed) |

#### UNIT-IV

Q17. What is Marginal Costing? Explain the practical application of marginal costing with examples.

Q18. The following data is given :

|               |                 |
|---------------|-----------------|
| Fixed cost    | Rs. 12,000      |
| Selling price | Rs. 12 per unit |
| Variable cost | Rs. 9 per unit  |

Calculate profit and contribution, also find out :

- a) What will be the profit when sales are :
- Rs. 60,000
  - Rs. 1,00,000
- b) What will be the amount of sales if it is desired to earn a profit of :
- Rs. 6,000
  - Rs. 15,000

**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**