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Total No. of Pages :03

Total No. of Questions : 09

**BRDM/B.SIM (2014 & Onwards)/BBA (2013 to 2017)/B.Sc. Business
Economics (BBE) (2015 to 2017) (Sem.-3)**

COST ACCOUNTING**Subject Code : BBE/BBA-303****Paper ID : [C1166]****Time : 3 Hrs.****Max. Marks : 60****INSTRUCTION TO CANDIDATES :**

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

SECTION-A**Q1. Write short note on the following in 2-5 lines :**

- I. Explain three merits of management accounting.
- II. What is margin of safety?
- III. Discuss the significance of liquidity ratio.
- IV. Define contribution.
- V. Discuss in detail benefits of ideal costing system.
- VI. Define material cost variance.
- VII. How will you calculate profit volume ratio?
- VIII. What do you mean by cash flow statement?
- IX. How will you calculate cash from operation?
- X. Define sunk costing.

SECTION-B

UNIT-I

- Q2. Define cost accounting. Discuss in detail objectives, advantages and disadvantages of cost accounting.
- Q3. Explain the FIFO and LIFO methods of the valuation of material issues. Discuss the effect of increasing and falling prices on these two methods of pricing material issue.

UNIT-II

- Q4. A Company producing two products X and Y faces the problem of labour shortage. Maximum labour hours available in a month are 10,000 hours. The following other information is available:

	<u>Product X (Rs)</u>	<u>Product Y (Rs)</u>
Material Cost	6.00	6.00
Direct Labour Cost		
10 hours @ Re 1.00	10.00	
5 hours @ Re 1.00		5.00
Variable Overheads	4.00	2.00
Fixed overheads	5,000	5,000
Selling price	30.00	20.00

Show which product is more profitable. Give proof in support of your answer.

- Q5. Define overhead. Discuss in detail classification, absorption and apportionment of overheads.

UNIT-III

- Q6. What do you mean by budgetary control? Discuss in detail types of budget.
- Q7. The following data is obtained from the books of manufacturing concern :

	Men	Women
Number in the standard gang	24	14
Standard rate per hour	Rs. 8	Rs. 7
Number in the actual gang	18	16
Actual rate per hour	Rs. 9	Rs. 6

During a week, 2 hours were lost due to power failure and work was actually done for 40 hours Calculate labour mix variance and idle time variance.

UNIT-IV

Q8. What is the purpose of ratio analysis? Explain with the help of example activity, current and growth ratios.

Q9. I. The following is the position of Current Assets and Current Liabilities of M Ltd.

Particulars	2006 Rs.	2007 Rs.
Provision for Bad Debts	1,000	3,000
Short- term Loan	10,000	19,000
Creditors	15,000	10,000
Bills Receivable	20,000	40,000

The company incurred a loss of Rs. 45,000 during the year. Calculate the Net Cash Flows from the Operating Activities by Indirect Method.

II. Discuss in detail advantage and limitations of cash flow statement.