

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BBA DEGREE EXAMINATION DECEMBER 2023
(Second Semester)

Branch – **BUSINESS ADMINISTRATION (LOGISTICS)**

COST AND MANAGEMENT ACCOUNTING

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(5 x 1 = 5)

1. Basic objective of cost accounting is
 - (i) Tax Compliance
 - (ii) Financial Audit
 - (iii) Cost Ascertainment
 - (iv) None of these
2. Contribution is
 - (i) Excess of sales over
 - (ii) Excess of cost of sales over sales
 - (iii) Excess of sales over fixed cost
 - (iv) Excess of sales over variable cost
3. A production budget is based on
 - (i) Cash budget
 - (ii) Overheads budget
 - (iii) Sales budget
 - (iv) Purchase budget
4. Interpretation of financial Statement includes processes like
 - (i) Journalising
 - (ii) Ledger writing
 - (iii) Establishing relationships between the accounting data
 - (iv) None of these
5. Which of the following is a part of the Standard Costing process within an organisation?
 - (i) Comparison of standard and actual costing process
 - (ii) Preparation and usage of the standard costing
 - (iii) Analysis of variances
 - (iv) All of the above

SECTION - B (15 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks

(5 x 3 = 15)

- 6 (a) What are the methods of cost classification?
OR
(b) Explain the scope of management accounting.
- 7 (a) State the limitations of Marginal Costing.
OR
(b) Describe the advantages of break even analysis.
- 8 (a) Explain the benefits of budgetary control.
OR
(b) Explain the importance of Cash Budget.
- 9 (a) Discuss the nature of financial statements.
OR
(b) What are the advantages of Ratio analysis?
- 10 (a) Explain the objectives of Standard Costing.
OR
(b) Explain the significance of variance analysis.

Cont...

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

11. (a) From the following particulars prepare a cost sheet for the year ending 2000.

Particulars	Rs.
Stock of raw materials on 1.1.2000	10,000
Stock of raw materials on 31.12.2000	20,000
Purchases	1,60,000
Direct wages	75,000
Direct expenses	25,000
Factory overheads	37,500
Administrative overheads	62,500
Selling overheads	25,000

OR

- (b) Briefly explain the advantages of management accounting.

12. (a) Describe the limitations of Break Even Analysis.

OR

- (b) From the following data of a company, calculate BEP, P/V Ratio and margin of Safety.

	Rs.
Variable Cost	3,00,000
Fixed Cost	1,50,000
Net profit	50,000
Sales	5,00,000

13. (a) Explain the various kinds of budgets.

OR

- (b) Prepare flexible budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity.

	Per Unit (Rs.)
Materials	100
Labour	50
Variable expenses(Direct)	10
Administrative expenses (50% Fixed)	40,000
Selling and Distribution expenses(60% Fixed)	50,000
Present production (50% activity)	1,000 units

- 14.(a) The following are the income statements of Jeevan Ltd., for the year ending 31
- st
- December 1999 and 1998. You are required to prepare a comparative income statement for the two years.

	31.12.98	31.12.99
	Rs.	Rs.
Net sales	10,00,000	12,00,000
Cost of goods sold	5,50,000	6,05,000
Operating expenses:		
Administration	80,000	1,00,000
Selling	60,000	80,000
Non-operating expenses:		
Interest	40,000	50,000
Income-tax	50,000	80,000

OR

Cont...

(b) You are given the following information:

	Rs.
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

Calculate (a) Current ratio (b) Liquidity ratio (c) Absolute liquidity ratio

15. (a) Explain the advantages and disadvantages of standard costing.

OR

(b) Following are the details of the product Phornex for the month of April 2013:

Standard quantity of material required per unit 5 kg

Actual output 1000 units

Actual cost of materials used ₹ 7,14,000

Material price variance ₹ 51,000 (Fav)

Actual price per kg of material is found to be less than standard price per kg of material by ₹ 10.

You are required to calculate:

(i) Actual quantity and Actual price of materials used.

(ii) Material Usage Variance

(iii) Material Cost Variance

Z-Z-Z

END