TOTAL PAGES : 4

22CSP208N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom(CS) DEGREE EXAMINATION DECEMBER 2024
(Second Semester)

Branch – **CORPORATE SECRETARYSHIP**

COST AND MANAGEMENT ACCOUNTING

Time: Three Hours Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Which of the following is a characteristic of variable costing? a. Includes all manufacturing cost b. Ignores fixed manufacturing costs c. Allocates fixed costs only d. Considers both fixed and variable costs	K1	CO1
	2	Which of the following statements best describes the concept of "relevant costs" in management accounting? A. Costs that have already been incurred and cannot be changed. B. Costs that vary between different decision alternatives and can influence the decision. C. Costs that are incurred in the long-term and have a fixed nature. D. Costs that are not significant and can be ignored in decision-making.	K2	CO1
2	3	Which of the following is a characteristic of job costing? A. Allocating costs to a specific product or service B. Spreading costs evenly across all products C. Assigning costs based on machine hours D. Ignoring direct labor costs	K1	CO2
	4	Which of the following best describes process costing? A. Allocating costs to specific jobs or batches of products. B. Accumulating costs for each production department or process. C. Assigning costs based on the actual direct labor hours worked. D. Determining costs based on the quantity of direct materials used.	K2	CO2
3	5	What does the term "marginal cost" represent? A. Total cost divided by quantity produced. B. Change in total cost divided by change in quantity produced. C. Variable cost per unit. D. Fixed cost per unit.	K1	CO3
	6	How are standard costs typically established? A. Based on the actual costs incurred in the previous year. B. By adding a markup percentage to the cost of materials. C. Through a detailed analysis of each production process. D. By randomly selecting a cost figure within a given range.	K2	CO3

Cont...

4	7	What is a master budget? A. A detailed plan showing the expected revenue and expenses for a specific department. B. A summary of historical financial transactions. C. An overall plan that includes all the budgets of a company. D. A flexible budget that adjusts to changes in activity levels.	K1	CO4
	8	What is a flexible budget? A. A budget that remains fixed regardless of changes in activity levels. B. A budget that adjusts to changes in activity levels. C. A budget used only in manufacturing industries. D. A budget that includes only variable costs.	K2	CO4
5	9	Which of the following is tools and techniques of management accounting? A. Ration analysis B. Linear Programming C. Trend analysis D. All of the above	K1	CO5
	10	What is financial leverage? A. The use of debt to increase the return on equity. B. The ratio of fixed costs to variable costs. C. The proportion of long-term debt in a company's capital structure. D. The total debt of a company.	K2	CO5

SECTION - B (35 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Identify the advantages of cost accounting.	K2	CO1
		(OR)		
	11.b.	Prepare the cost sheet from the following data: Raw material used Rs. 60,000 Wages Rs. 15,000 Works expenses are charged at 100% of wages. Office overhead is charged at 25% on works cost. Selling overhead is 10%of the cost of production.		
2	12.a.	Prepare Process Account from the following: Materials issued 1,000 kg @ Rs. 125 Wastage Rs.28,000 Overheads Rs. 8,000 Normal loss 5% of input: Output 900kgs	K3	CO2
		(OR)		
	12.b.	From the following information, calculate kilometres and total passenger kilometers. Number of busses : 8 Days operated in the mouth : 30 Trips made by each bus : 2 Distance of route : 60 kilometres long(one way) Capacity of bus : 50 passengers Normal passengers travelling: 80% of the capacity.		

Cont...

<table>
<tr><td rowspan="3">3</td><td>13.a.</td><td>From the following information find out the amount of profit earned during the year using the material costing technique:
Fixed cost Rs. 2,50,000
Variable Cost Rs. 10 per unit
Selling Price Rs. 15 per unit
Output level 75,000 units</td><td rowspan="3">K4</td><td rowspan="3">CO3</td></tr>
<tr><td colspan="2">(OR)</td></tr>
<tr><td>13.b.</td><td>Describe the limitations of Budgetary control.</td></tr>
<tr><td rowspan="3">4</td><td>14.a.</td><td>From the information given below, prepare a manufacturing overhead budget for the quarter ending December 31, 2009:
Budget output during the quarter : 5,000 units
Fixed overheads : Rs. 30,000
Variable Overheads (varying at the rate of Rs.5 per unit)
: Rs. 15,000
Semi Variable Overheads (40% fixed and 60% varying @ Rs.3 per unit)</td><td rowspan="3">K4</td><td rowspan="3">CO4</td></tr>
<tr><td colspan="2">(OR)</td></tr>
<tr><td>14.b.</td><td>Using the following information, prepare a flexible budget for the
Production at 50% Capacity 5,000 Units
Raw Materials Rs 80 per unit
Direct Labor Rs 50 per unit
Direct Expenses Rs 15 per unit
Factory Expenses Rs 50,000 (50) (Fixed)
Administration Expenses Rs 60,000 (Variable)
production of 80% and 100% activity.</td></tr>
<tr><td rowspan="3">5</td><td>15.a.</td><td>Calculation current Ratio from the following information:
<table><tr><td>Stock</td><td>60,000</td><td>Sundry Cr</td><td>20,000</td></tr><tr><td>Sundry Dr</td><td>70,000</td><td>Bills Payable</td><td>15,000</td></tr><tr><td>Cash Balances</td><td>20,000</td><td>Tax payable</td><td>18,000</td></tr><tr><td>Bills Receivables</td><td>30,000</td><td>Outstanding Expenses</td><td>7,000</td></tr><tr><td>Prepaid Expenses</td><td>10,000</td><td>Bank Overdraft</td><td>25,000</td></tr><tr><td>Land and Building</td><td>1,00,000</td><td>Debentures</td><td>75,000</td></tr><tr><td>Goodwill</td><td>50,000</td><td></td><td></td></tr></table></td><td rowspan="3">K5</td><td rowspan="3">CO5</td></tr>
<tr><td colspan="2">(OR)</td></tr>
<tr><td>15.b.</td><td>Explain the Classification of Cash Flows.</td></tr>
</table>

Cont...

SECTION -C (30 Marks)

Answer **ANY THREE** questions

ALL questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Distinguish between cost accounting and Management accounting.	K4	CO1
2	17	Explain the various items appearing in the contract account?	K3	CO2
3	18	The Standard materials required for producing 100 units is 120kgs. A standard price of 0.50 paise per kg is fixed and 2,40,000 units were produced during the period. Actual materials purchased were 3,00,000 kgs. at a cost of Rs1,65,000. Calculate Material Variance.	K5	CO3
4	19	The Expenses for the production of 5,000 units in a factory are given as follows: per unit Rs Materials 50 Labour 20 Variable Overheads 15 Fixed Overheads(Rs.50,000) 10 Administrative Expenses (5% variable) 10 Selling Expenses(20% fixed) 6 Distribution Expenses(10% fixed) 5 Total Cost of sales per unit Rs. 116 You are required to prepare a budget for the production of 7,000 units	K5	CO4
5	20	Distinguish between funds flow statement and income statement.	K6	CO5

Z-Z-Z END