

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2025
(Fourth Semester)

Branch – COMMERCE (BUSINESS ANALYTICS)

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)

Question No.	Question	K Level	CO
1	The main objective of cost accounting is to a. Determine tax liability b. Provide information to shareholders c. Ascertain and control cost d. Help in auditing	K1	CO1
2	The use of Management Accounting is ----- a) Compulsory b) Optional c) Obligatory d) None	K2	CO1
3	EOQ (Economic Order Quantity) is the order quantity that a) Minimizes total inventory cost b) Maximizes order size c) Minimizes unit cost d) Maximizes carrying cost	K1	CO2
4	Time wage system pays employees based on a) Quantity of output b) Quality of work c) Hours worked d) Number of units sold	K2	CO2
5	Which of the following is not an example of overhead cost? a) Factory rent b) Indirect wages c) Raw material cost d) Depreciation of machinery	K1	CO3
6	Job costing is most suitable for a) Oil refining b) Printing press c) Cement manufacturing d) Sugar production	K2	CO3
7	Tax paid is ---- a) Application of fund b) Source of fund c) Expenses d) None	K1	CO4
8	The cash flow statement classifies cash flows from a) Operating Activities b) Investing Activities c) Financing Activities d) All the above	K2	CO4
9	Sales budget is----- a) Functional budget b) Master budget c) Expenditure Budget d) Flexible budget	K1	CO5
10	The process of budgeting helps in the control of a) Cost of production b) Short term liquidity position c) Capital expenditure d) All the above	K2	CO5

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Question No.	Question	K Level	CO
11.a.	Summarize the methods of costing.	K2	CO1
	(OR)		
11.b.	Explain the nature of Management accounting.		

Cont...

12.a.	Calculate a) Reorder level; b) Re order Quantity and c) Maximum stock level from the following information: Minimum stock level: 2550 units. Average stock level 4550 units. Consumption: 800 units per month; maximum 1500 units per month. Delivery period minimum 2 months, maximum 4 months.	K3	CO2																								
(OR)																											
12.b.	Following particulars are related to a product: Standard output per day of 8 hours in 8 units Normal wage per day is Rs 12 Actual output by Ahmed in a day 10 units Calculate the earnings of Ahmed ad also the labour cost per unit under the following methods a) Time rate b) Piece rate																										
13.a.	Explain the various bases of apportionment of overheads to departments.	K3	CO3																								
(OR)																											
13.b.	Calculate machine hour rate from the details of expenses relating to a machine: Machine life 10 years at 2000 hours per annum: cost: Rs. 1,00,000 plus Rs.10,000 towards installation; Life end value: Rs. 10,000; Power consumption :10 units per hour ; Oil expenses:25 % of power ; Repairs: 50% of depreciation; Consumable stores: Rs 1 per hour. Rate per hour Rs.0.10 per unit and one operator is engaged on the machine at 4 per day of 8 hours.																										
14.a.	Calculate 'Funds from Operations from the information given below as on 31 st March, 2013: i) Net profit for the year ended 31 st March 2013, Rs.6,50,000. ii) Gain on sale of Building Rs.35,500. iii) Goodwill appears in the books at Rs.1,80,000 out of that 10 per cent has been written off during the year. iv) Old machinery worth Rs.8,000 has been sold for Rs.6,500 during the year. v) Rs.1,25,000 have been transferred to the General Reserve Fund. vi) Depreciation has been provided during the year on machinery and furniture at 20% whose total cost is Rs.6,50,000.	K4	CO4																								
(OR)																											
14.b.	Explain the Significance of cash flow statement.																										
15.a.	<div>Josh printing Co. ltd ended with the following profit/loss during the year 2008.</div> <table><tr><td>Sales</td><td></td><td>Rs. In lakhs</td></tr><tr><td>Less: Expenses</td><td></td><td>35.58</td></tr><tr><td>Raw material</td><td>7.42</td><td></td></tr><tr><td>Stores</td><td>4.88</td><td></td></tr><tr><td>Expenses</td><td>20.40</td><td></td></tr><tr><td>Interest</td><td>2.00</td><td></td></tr><tr><td>Depreciation</td><td>2.00</td><td>36.70</td></tr><tr><td>Loss for the year</td><td></td><td>1.12</td></tr></table> <div>The press had been working at 60% of capacity during 2008. Of the expenses of Rs.20.40 lakhs, 25% is variable. In 2009, production /sales volume at 80% capacity is expected to be achieved. Fixed cost , however, is expected to increase by 1.20 lakhs. Draw the 2009 budget.</div>	Sales		Rs. In lakhs	Less: Expenses		35.58	Raw material	7.42		Stores	4.88		Expenses	20.40		Interest	2.00		Depreciation	2.00	36.70	Loss for the year		1.12	K4	CO5
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15.b.	List out the essential of bugetary control.																										

SECTION -C (30 Marks)

Answer ANY THREE questions

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

ALL questions carry EQUAL Marks (5 × 10 = 50)																																																						
Question No.	Question				K Level	CO																																																
16	Summarize the objectives of Management Accounting.				K2	CO1																																																
17	Following transactions occur in the purchase and issue of a material January 19 Purchased 100 at Rs. 5.00 each February 4 Purchased 25 at Rs. 5.25 each February 12 Purchased 50 at Rs. 5.50 each February 14 Issued 80 March 16 Purchased 50 at Rs. 5.50 each March 20 Issued 80 March 27 Purchased 50 at Rs. 5.75 each From the above, prepare the stores ledger account by adopting the LIFO method.				K3	CO2																																																
18	A company has the following overhead expenses for a month: <table><tr><td>Overhead Item</td><td>Amount (₹)</td></tr><tr><td>Rent and Rates</td><td>60,000</td></tr><tr><td>Electricity</td><td>24,000</td></tr><tr><td>Canteen Expenses</td><td>12,000</td></tr></table> The company has three departments: A, B, and C. The following data is available: <table><tr><td>Department</td><td>Floor Area (sq. ft.)</td><td>Number of Employees</td></tr><tr><td>A</td><td>1,000</td><td>10</td></tr><tr><td>B</td><td>1,500</td><td>15</td></tr><tr><td>C</td><td>2,500</td><td>25</td></tr></table> Apportion the overheads among the departments using the following bases: <ul style="list-style-type: none">Rent and Rates: Floor AreaElectricity: Floor AreaCanteen Expenses: Number of Employees				Overhead Item	Amount (₹)	Rent and Rates	60,000	Electricity	24,000	Canteen Expenses	12,000	Department	Floor Area (sq. ft.)	Number of Employees	A	1,000	10	B	1,500	15	C	2,500	25	K3	CO3																												
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19	The balance sheet of Raja & Co as on 31 st December 2019 and 2020 are as follows: <table><tr><td>Liabilities</td><td>2019 Rs.</td><td>2020 Rs.</td><td>Assets</td><td>2019 Rs.</td><td>2020 Rs.</td></tr><tr><td>Share capital</td><td>5,00,000</td><td>7,00,000</td><td>Land & Building</td><td>80,000</td><td>1,20,000</td></tr><tr><td>Profit & Loss General Reserve</td><td>1,00,000</td><td>1,60,000</td><td>Plant & Machinery</td><td>5,00,000</td><td>8,00,000</td></tr><tr><td>Sundry Creditors</td><td>50,000</td><td>70,000</td><td>Stock</td><td>1,00,000</td><td>75,000</td></tr><tr><td>Bills payable</td><td>1,53,000</td><td>1,90,000</td><td>Debtors</td><td>1,50,000</td><td>1,60,000</td></tr><tr><td>Expenses O/S</td><td>40,000</td><td>50,000</td><td>Cash</td><td>20,000</td><td>20,000</td></tr><tr><td></td><td>7,000</td><td>5,000</td><td></td><td></td><td></td></tr><tr><td></td><td>8,50,000</td><td>11,75,000</td><td></td><td>8,50,000</td><td>11,75,000</td></tr></table> Additional Information 1) Rs. 50,000 depreciation has been charged on Plant and Machinery During 2020. 2) A piece of Machinery was sold for Rs.8,000 during the year 2020. It had been cost Rs.12,000; Depreciation of Rs.7,000 had been provided on it. Ascertain schedule of changes in working capital and a statement showing the Sources and Applications of Funds for 2020.				Liabilities	2019 Rs.	2020 Rs.	Assets	2019 Rs.	2020 Rs.	Share capital	5,00,000	7,00,000	Land & Building	80,000	1,20,000	Profit & Loss General Reserve	1,00,000	1,60,000	Plant & Machinery	5,00,000	8,00,000	Sundry Creditors	50,000	70,000	Stock	1,00,000	75,000	Bills payable	1,53,000	1,90,000	Debtors	1,50,000	1,60,000	Expenses O/S	40,000	50,000	Cash	20,000	20,000		7,000	5,000					8,50,000	11,75,000		8,50,000	11,75,000	K4	CO4
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20	Draw up flexible budget at 70% and 90% plant capacity <table><tr><th>Particulars</th><th>80% plant capacity</th></tr><tr><td>Variable overheads – Indirect labour</td><td>12,000</td></tr><tr><td>Indirect material</td><td>4,000</td></tr><tr><td>Semi-variable overheads</td><td></td></tr><tr><td>Power (30%fixed)</td><td>20,000</td></tr><tr><td>Repairs (40%) fixed</td><td>2,000</td></tr><tr><td>Fixed overheads</td><td></td></tr><tr><td>Depreciation</td><td>11,000</td></tr><tr><td>Insurance</td><td>3,000</td></tr><tr><td>Salaries</td><td>10,000</td></tr><tr><td>Total overheads</td><td>62,000</td></tr><tr><td>Estimated direct labour hours</td><td>1,24,000 (hours)</td></tr></table>				Particulars	80% plant capacity	Variable overheads – Indirect labour	12,000	Indirect material	4,000	Semi-variable overheads		Power (30%fixed)	20,000	Repairs (40%) fixed	2,000	Fixed overheads		Depreciation	11,000	Insurance	3,000	Salaries	10,000	Total overheads	62,000	Estimated direct labour hours	1,24,000 (hours)	K4	CO5																								
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