

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BVoc DEGREE EXAMINATION DECEMBER 2025  
(Fifth Semester)

Branch: BANKING, STOCK & INSURANCE

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	Basic objective of cost accounting a) Tax compliance                      b) Financial audit c) Cost ascertainment                  d) None of these	K1	CO1
	2	Elements of cost are a) Three types    b) Two types    c) Four types    d) Five types	K1	CO1
2	3	Material control involves a) Consumption of material    b) Issue of material c) Purchase of materials       d) Purchase, Storage and Issue of materials	K2	CO2
	4	Time wages are paid on the basis of a) Standard time                      b) Time saved c) Output produced                  d) Actual time	K2	CO2
3	5	Overhead is also known as a) On cost    b) Basic cost    c) Extra cost    d) Chargeable expenses	K2	CO3
	6	Under absorption of overhead takes place when a) Actual overhead is more than absorbed overhead b) Absorbed overhead is more than Actual overhead c) Standard overhead is more than Actual overhead d) None of these	K2	CO3
4	7	Management accounting helps management in a) Preparation of final accounts    b) Raising finance c) Filing tax returns                  d) Decision making	K1	CO4
	8	Management accounting maintains a) Journal                                  b) Journal and Ledger c) Ledger alone                          d) None of these	K1	CO4
5	9	The term fund refers to a) Reserves    b) Working capital    c) Profits    d) None of these	K1	CO5
	10	Cash flows include a) Cash receipts only b) Cash payment only c) Cash receipts and payments d) Cash and non-cash incomes and expenses	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.	From the following data, prepare a cost sheet. Raw Materials                      Rs. 20,000 Direct Wages                        Rs.15,000 Factory Overheads                  Rs.10,000 Administrative Overhead        Rs. 5,000 Selling and distribution Overhead    Rs. 5,000 Profit -20% on the cost of sales.	K3	CO1
		(OR)		
	11.b.	Explain the scope of cost accounting.		

Cont...

2	12.a.	From the following information, calculate (a) Re-order Level (b) Minimum Level and (b) Maximum Level Minimum Consumption -100 units per day Minimum Consumption – 150 units per day Normal Consumption – 120 units per day Re-order Quantity – 1500 units Re-order Period -10-15 days Normal Re-order period -12 days	K3	CO2																																
	(OR)																																			
	12.b.	Mr. A a worker in a factory is paid on time basis. During the month of October 2010 he has worked for 200 hours. His hourly wage rate is Rs.10 per hour. Mr. B another employee of the company is paid on the basis of piece wages. During the month of October 2010 his output was 1000 units. Rate of wages per piece is Rs.3. Calculate the wages of respective workers for the month of October 2010.																																		
3	13.a.	Machine working hours in a year – 2,400 hours Estimated idle time – 400 hours Total expenses – Rs 48,000 Find the machine hour rate.	K4	CO3																																
	(OR)																																			
	13.b.	A manufacturing concern has three production departments and two service departments in July 2008, the departmental expenses where as follows. <table><tr><td>Production Departments</td><td>Rs.</td></tr><tr><td>A</td><td>16,000</td></tr><tr><td>B</td><td>13,000</td></tr><tr><td>C</td><td>14,000</td></tr><tr><td>Service Departments</td><td></td></tr><tr><td>X</td><td>4,000</td></tr><tr><td>Y</td><td>6,000</td></tr></table> The service department expenses are charged out on a percentage basis, viz., <table><tr><td></td><td>A</td><td>B</td><td>C</td><td>X</td><td>Y</td></tr><tr><td>Expenses of department E</td><td>20%</td><td>25%</td><td>35%</td><td>-</td><td>20%</td></tr><tr><td>Expenses of department F</td><td>25%</td><td>25%</td><td>40%</td><td>10%</td><td>20%</td></tr></table> Prepare a statement of secondary distribution under repeated distribution method.			Production Departments	Rs.	A	16,000	B	13,000	C	14,000	Service Departments		X	4,000	Y	6,000		A	B	C	X	Y	Expenses of department E	20%	25%	35%	-	20%	Expenses of department F	25%	25%	40%	10%	20%
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4	14.a.	State the nature or Management Accounting	K2	CO4																																
	(OR)																																			
	14.b.	What are the limitations or Management Accounting																																		
5	15.a.	Calculate funds from operations from the following Profit and Loss A/c Profit and Loss Account <table><tr><td>Particulars</td><td>Rs.</td><td>Particulars</td><td>Rs.</td></tr><tr><td>To Expenses paid</td><td>3,00,000</td><td>By Gross Profit</td><td>4,50,000</td></tr><tr><td>To Depreciation</td><td>70,000</td><td>By Gain on sale of land</td><td>60,000</td></tr><tr><td>To Loss on sale of machine</td><td>4,000</td><td></td><td></td></tr><tr><td>To Discount</td><td>200</td><td></td><td></td></tr><tr><td>To Goodwill</td><td>20,000</td><td></td><td></td></tr><tr><td>To Net profit</td><td>1,15,800</td><td></td><td></td></tr><tr><td></td><td><u>5,10,000</u></td><td></td><td><u>5,10,000</u></td></tr></table>	Particulars	Rs.	Particulars	Rs.	To Expenses paid	3,00,000	By Gross Profit	4,50,000	To Depreciation	70,000	By Gain on sale of land	60,000	To Loss on sale of machine	4,000			To Discount	200			To Goodwill	20,000			To Net profit	1,15,800				<u>5,10,000</u>		<u>5,10,000</u>	K4	CO5
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(OR)																																				
15.b.	What is a funds flow statement? Now does it differ from a cash flow statement?																																			

**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	What is a cost sheet? Give the proforma of cost sheet using imaginary figures.	K5	CO1																																																								
2	17	<p>Two components X and Y are used as follows:</p> <p>Minimum usage : 50 units per week each</p> <p>Maximum usage : 150 units per week each</p> <p>Normal usage : 100 units per week each</p> <p>Ordering quantities : X-600 units Y-1,000 units</p> <p>Delivery period : X-4 to 6 weeks Y- 2 to 4 weeks</p> <p>Maximum reorder period for emergency purchases X:2 weeks Y:2 Weeks</p> <p>Calculate for each component:</p> <p>(a) Reordering level</p> <p>(b) Maximum level</p> <p>(c) Minimum level</p> <p>(d) Danger level</p>	K5	CO2																																																								
3	18	<p>Kumaresh Ltd, has three production departments 'A', 'B' and 'C' and two service departments 'D' and 'E'. The following figures are extracted from the records of the company.</p> <table><tr><td></td><td>Rs.</td></tr><tr><td>Rent and rates</td><td>5,000</td></tr><tr><td>Indirect wages</td><td>1,500</td></tr><tr><td>Depreciation of machinery</td><td>10,000</td></tr><tr><td>General lighting</td><td>600</td></tr><tr><td>Power</td><td>1,500</td></tr><tr><td>Sundries</td><td>10,000</td></tr></table> <p>Following further details are available:</p> <table><tr><td></td><td>Total</td><td>A</td><td>B</td><td>C</td><td>D</td><td>E</td></tr><tr><td>Floor space is square feet</td><td>10,000</td><td>2,000</td><td>2,500</td><td>3,000</td><td>2,000</td><td>500</td></tr><tr><td>Light points</td><td>60</td><td>10</td><td>15</td><td>20</td><td>10</td><td>5</td></tr><tr><td>Direct wages (Rs.)</td><td>10,000</td><td>3,000</td><td>2,000</td><td>3,000</td><td>1,500</td><td>500</td></tr><tr><td>H.P of Machines</td><td>150</td><td>60</td><td>30</td><td>50</td><td>10</td><td>-</td></tr><tr><td>Value of machinery (Rs.)</td><td>2,50,000</td><td>60,000</td><td>80,000</td><td>1,00,00</td><td>5,000</td><td>5,000</td></tr></table> <p>Apportion the cost to various departments on the most equitable basis by preparing a primary departmental distribution summary.</p>		Rs.	Rent and rates	5,000	Indirect wages	1,500	Depreciation of machinery	10,000	General lighting	600	Power	1,500	Sundries	10,000		Total	A	B	C	D	E	Floor space is square feet	10,000	2,000	2,500	3,000	2,000	500	Light points	60	10	15	20	10	5	Direct wages (Rs.)	10,000	3,000	2,000	3,000	1,500	500	H.P of Machines	150	60	30	50	10	-	Value of machinery (Rs.)	2,50,000	60,000	80,000	1,00,00	5,000	5,000	K4	CO3
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Value of machinery (Rs.)	2,50,000	60,000	80,000	1,00,00	5,000	5,000																																																						
4	19	Difference between cost Accounting and Management Accounting	K4	CO4																																																								

Cont...

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Preparation of schedule of changes in working capital (or) working Capital statement

The Balance sheets of Alacrity Ltd. At the end of 1993 and 1994 are given below. You are required to prepare a schedule of change in working capital.

Liabilities	1993 Rs.	1994 Rs	Assets	1993 Rs.	1994 Rs
Share capital	1,00,000	1,50,000	Land	1,00,000	1,00,000
Share premium	--	5,000	Plant at cost	1,04,000	1,00,000
General reserve	50,000	60,000	Furniture at cost	7,000	9,000
P & L A/c	10,000	17,000	Investments at cost	60,000	80,000
5% Debentures	70,000	50,000	Debtors	30,000	70,000
Provision for depreciation on plant	50,000	56,000	Stock	60,000	65,000
Provision for depreciation on furniture	5,000	6,000	Cash	30,000	45,000
Provision for taxation	20,000	30,000			
Creditors	86,000	95,000			
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	3,91,000	4,69,000		3,91,000	4,69,000
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K4

CO5

Z-Z-Z

END