

**6013**

**III Semester 5 Year B.B.A.LL.B. Examination, March/April 2021**  
**COST AND MANAGEMENT ACCOUNTING**

Duration : 3 Hours

Max. Marks : 80

- Instructions :**
1. Answer any five questions from group (a) each question carries 10 marks.
  2. Answer any five questions from group (b) each question carries 6 marks.
  3. Answer should be written in English completely.

- Q. No. 1. a) Prepare a Cash Budget for three months ending on 30th September 2019, from following information.

Month	Sales	Material	Wages	Overhead
May	56,000	19,200	6,000	3,400
June	60,000	18,000	6,000	3,800
July	64,000	18,400	6,400	4,000
Aug.	68,000	20,000	7,200	4,400
Sept.	72,000	20,800	8,000	4,600

Credit terms are :

Sales : 10% on cash, 50% of the credit sales are collected in the next month and Balance in following month .

Creditors : Raw material 1 month, wages  $\frac{1}{2}$  month, overhead  $\frac{1}{4}$  month.

Marks : 10

- Q. No. 1. b) The sales director is expecting a sales of 50,000 next year (in units). Two kinds of raw materials A and B are required for manufacturing the finished products. Each unit of finished products require 2 units of A and 3 units of B. The estimated opening balance of next year are as follows
- |                |             |
|----------------|-------------|
| Finished goods | 10000 units |
| Raw material A | 12000 units |

P.T.O.



Raw material B	15000 units
Closing balances are as follows	
Finished goods	14000 units
A	13000 units
B	16000 units

Calculate Material Purchase Budget.

Marks : 6

Q. No. 2. a) What is Budgetary Control ? Explain the merits and demerits of budgetary control to a business concern.

Marks : 10

Q. No. 2. b) Write a note on Functional Budget.

Marks : 6

Q. No. 3. a) Define standard costing. Explain the significance of standard costing as a technique of cost control.

Marks : 10

Q. No. 3. b) Explain the difference between estimated cost and standard cost.

Marks : 6

Q. No. 4. a) Explain the use of standard costing in the following managerial functions :

Marks : 10

(i) Cost reduction

(ii) Operating performance

(iii) Product pricing.

Q. No. 4. b) How standard costs are set for material and labour ?

Marks : 6

Q. No. 5. a) From the following particulars calculate :

(i) Material cost variance.

(ii) Material price variance

(iii) Material yield variance

#### Standard Data

Kgs	Material	Amount
450	Material A @ ₹ 20/kg	9,000
360	Material B @ 10/kg	3,600
<b>810</b>		<b>12,600</b>
<b>Less : 90</b>	Normal loss	
<b>720</b>		



**Actual Data :**

Kgs	Material	Amount
450	Material A @ ₹ 19/kg	8,550
360	Material B @ ₹ 11/kg	3,960
<b>810</b>		<b>12,510</b>
<b>Less : 50</b>	Actual loss	
<b>760</b>		

Marks : 10

Q. No. 5. b) Write a short note on yield variance.

Marks : 6

Q. No. 6. a) Ultra Modern Cassette Ltd. had budgeted the following sales for Feb. 2019.

Cassette A 1100 units @ ₹ 50/unit

Cassette B 950 units @ ₹ 100/unit

Cassette C 1250 units @ ₹ 80/unit

As against the actual sales were

Cassette A 1300 units @ ₹ 55/unit

Cassette B 1000 units @ ₹ 96/unit

Cassette C 1200 units @ ₹ 78/unit

The cost/unit of A, B and C were ₹ 45, 85 and 70 respectively.

Compute different variance.

Marks : 10

Q. No. 6. b) Write a short note on fixed overhead calender variance.

Marks : 6

Q. No. 7. a) Define uniform costing. Discuss the scope and applications of uniform costing methods and their usefulness to our economy.

Marks : 10

Q. No. 7. b) Write short notes on Financial audit versus cost audit.

Marks : 6

Q. No. 8. a) "Cost audit is a necessity and not a luxury and is viewed as a barometer to measure the operational performance and the effectiveness of utilisation". Explain.

Marks : 10

Q. No. 8. b) Write short notes on Cost Audit Rules, 1996.

Marks : 6



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Q. No. 9. a) Explain the provision of Indian Companies Act, 1956 with respect to the appointment, rights and responsibilities of an auditor.

Marks : 10

Q. No. 9. b) Write short notes on types of audit.

Marks : 6

Q. No. 10. a) Define management audit. How does it differ from cost audit and financial audit ?

Marks : 10

Q. No. 10. b) Write short notes on limitations of management audit.

Marks : 6

Scanning



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III Semester 5 Year B.B.A. LL.B. Examination, December 2019  
**COST AND MANAGEMENT ACCOUNTING**  
(2018 and 2019 Batch)

Duration : 3 Hours

Max. Marks : 80

- Instructions :**
1. Answer **all** the 5 questions.
  2. **One** essay type and **one** short note question or problem from **each** unit have to be **attempted**, which is referred as Part (a) and (b) in **all** the units.
  3. Use simple calculator.

UNIT - I

- Q. No. 1. a) Prepare flexible budget at 80% and 100% capacity. The following particulars are given at 60% capacity. Marks : 1×10=10

Variable Overhead	Rs.
Indirect labour	1,800
Indirect material	600

**Semi-Variable Overheads :**

Electricity (40% fixed)	30,000
Repair and maintenance (20% variable)	3,000

**Fixed Overhead :**

Depreciation	15,550
Insurance	5,000
Salaries	15,000

**Total Overhead** **70,950**

Estimated Labour hrs. 1,80,000 hrs.

OR

What are the different types of functional budgets ? Explain any 5 types of functional budgets. Marks : 1×10=10

- b) What is flexible budgeting ? Explain steps involved in preparation of flexible budgeting/flexible budget. Marks : 1×6=6

OR

What is ZBB ? Difference between ZBB and traditional budgeting. Marks : 1×6=6

P.T.O.



## UNIT – II

- Q. No. 2. a) What is standard costing ? State objectives, advantages and disadvantages of standard costing.

Marks : 1×10=10

OR

Write a short note on :

Marks : 1×10=10

- i) Current standard
- ii) Basic standard
- iii) Ideal standard
- iv) Attainable standard

- b) Material usage variance.

Marks : 1×6=6

OR

What are the problems in setting standard cost ?

Marks : 1×6=6

## UNIT – III

- Q. No. 3. a) Clock Ltd. produces an article blending two basic raw materials the following standards have been setup for raw materials.

Marks : 1×10=10

Material	Standard Mix	Standard Price
A	40%	₹ 4
B	60%	₹ 3

The standard loss in processing is 15% during September 2019. The company produced 1700 Kgs of finished output the position of stock and purchases for the month of September 2019 is as under :

Material	Stock as on 1-9-19	Stock as on 30-9-19	Purchase during Sept. 2019	
	Kg.	Kg.	Kg.	Cost
A	35	5	800	3,400
B	40	50	1200	3,000





Calculate the following variances :

- a) Materials price variance
- b) Materials usage variance
- c) Materials yield variance
- d) Materials mix variance
- e) Total material cost variance.

Assume first in first out method for the issue of material. The opening stock is to be valued at standard price.

OR

Write a short note on the following concepts :

Marks : 1×10=10

- i) Volume variance
- ii) Material cost variance
- iii) Yield variance
- iv) Labour mix variance.

b) Write a short note on :

Marks : 1×6=6

Labour efficiency variance.

OR

Overhead variance.

Marks : 1×6=6

#### UNIT – IV

Q. No. 4. a) What is uniform costing ? State and explain objectives and purpose of uniform costing. State merits of uniform costing system.

Marks : 1×10=10

OR

Give the provision of Indian Companies Act 1956 with reference to appointment, rights and responsibilities of cost auditor.

Marks : 1×10=10

b) Write a short note on :

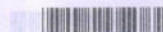
Marks : 1×6=6

Types of cost audits.

OR

General features of cost accounting records.

Marks : 1×6=6



# UNIT - V

Q. No. 5. a) What is management audit ? Explain objectives and criticisms against management audit.

Marks : 1×10=10

OR

Explain the types of audits.

Marks : 1×10=10

b) Explain the term "Social Audit".

Marks : 1×6=6

OR

Distinguish between management audit and cost audit.

Marks : 1×6=6