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N – 2898

Reg. No. :

Name :

Third Semester B.B.A. Degree Examination, March 2022
Career Related First Degree Programme Under CBCSS

Group 2(b)

Core Course

BM 1343 — COST AND MANAGEMENT ACCOUNTING
(2017 and 2018 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Very short answer type Questions. (One word to maximum of 2 sentences) Answer all questions. Each question carries 1 mark.

1. What is Break-even point?
2. What is contribution?
3. What is common size income statement?
4. What is Trend percentage analysis?
5. What is Overheads?
6. What is cash flow statement?
7. What is master budget?
8. What is acid test ratio?
9. What is activity ratio?
10. What is cost sheet?

(10 × 1 = 10 Marks)

P.T.O.

SECTION – B

Short Answer Questions (Not to exceed one paragraph) Answer any **eight** questions.
Each question carries 2 marks.

11. What is sunk costs and opportunity costs?
12. A company has a closing stock of Rs. 30,000 while its prepaid expenses are Rs. 5,000. What will be its quick assets ratio if the current assets are worth Rs. 50,000 while current liabilities are worth Rs. 15,000?
13. Discuss the significance and objectives of Inventory turnover ratio.
14. What is fixed, variable and semi-variable costs?
15. Write down the features of management accounting.
16. Discuss the assumptions and limitations of Break-even point.
17. Sales - Rs. 1,00,000, variable cost - Rs. 25,000 and fixed cost – Rs. 20,000, find out the contribution and profit.
18. Explain Margin of Safety.
19. Calculate the factory cost.

Cost of Direct Materials	2,00,000
Direct Wages	50,000
Direct Expenses	10,000
Wages of Foreman	5,000
Electric Power	2,000
Lighting of the Factory	4,000
Storekeeper's Wages	2,500
Oil and Water	1,000
Rent of the Factory	10,500
Depreciation in Plant	1,000
Consumable Store	5,000
Repairs and Renewal Plant	7,000

20. Distinguish between cost centre and cost unit.

21. What is solvency ratios?
 22. Explain cash flow from investing activities.

(8 × 2 = 16 Marks)

SECTION – C

Short Essay Questions. (Not to Exceed 120 words) Answer any six questions. Each question carries 4 marks.

23. Calculate the Inventory Turnover Ratio:
 Revenue from operations -2, 00,000
 Gross profit – 25% on cost
 Opening Inventory – 1/3rd of the value of closing Inventory
 Closing Inventory -30% of revenue from operations.

24. Give a standard format for cost sheet.
 25. The sales of a company are @ `Rs. 200 per unit 20,00,000

Variable cost	12,00,000
Fixed cost	6,00,000

Determine the BEP. How much profits is the company making?

26. Discuss the limitations of financial statements.
 27. What is flexible budget?
 28. Distinguish between traditional budgeting and zero base budgeting.
 29. Explain the procedure for preparation of cash flow statement.
 30. Prepare a statement showing changes in working capital during 2020 from the following.

Balance Sheet of Venus Ltd as on 31st December

Liabilities	2019 (Rs.)	2020 (Rs)	Assets	2019 (Rs.)	2020 (Rs.)
Share capital	5,00,000	6,00,000	Fixed assets	10,00,000	11,20,000
Reserves	1,50,000	1,80,000	Less :- Depreciation	3,70,000	4,60,000
Profit and Loss A/c	40,000	65,000		6,30,000	6,60,000
Debentures	3,00,000	2,50,000	Stock	2,40,000	3,70,000
Creditors for goods	1,70,000	1,60,000	Book debts	2,50,000	2,30,000

Liabilities	2019 (Rs.)	2020 (Rs)	Assets	2019 (Rs.)	2020 (Rs.)
Provision for tax	60,000	80,000	Cash in hand	80,000	60,000
			Preliminary expenses	20,000	15,000
	<u>12,20,000</u>	<u>13,35,000</u>		<u>12,20,000</u>	<u>13,35,000</u>

31. From the following information, calculate Debtors Turnover Ratio and Average Collection Period.

Total Sales for 2020	Rs. 15,00,000
Cash Sales for 2020	Rs. 5,00,000
Debtors on 1 st January 2020	Rs. 1,90,000
Debtors on 31 st December 2020	Rs. 2, 10,000
No. of working days in a year	365 days

(6 × 4 = 24 Marks)

SECTION – D

Long Essay questions. Answer any **two** questions. Each question carries **15** marks.

32. What is budgetary control? What are the advantages and disadvantages of budgetary control?
33. Distinguish between Cash flow statement and Fund flow statement.
34. From the following profit and loss account, you are required to compute cash from operations.

Profit and Loss Account for the year ending 31st Dec 2020

To salaries	Rs. 10,000	By Gross profit	Rs. 50,000
To rent	2,000	By profit on sale of land	10,000
To depreciation	4,000	By income tax refund	6,000
To loss on sale of plant	2,000		
To Goodwill written off	8,000		
To proposed dividend	10,000		
To provision for taxation	10,000		
To net profit	20,000		
	<u>66,000</u>		<u>66,000</u>

35. Explain the ratio analysis. What are the advantages and disadvantages of ratio analysis?

(2 × 15 = 30 Marks)