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N – 2897

Reg. No. : ....

Name : ....

Third Semester B.B.A. Degree Examination, March 2022

Career Related First Degree Programme Under CBCSS

Core Course

BM 1343 : COST AND MANAGEMENT ACCOUNTING

(2014 – 2016 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – A

(Answer **all** questions in **one** or **two** sentences. **Each** question carries **1** mark)

1. Define Management Accounting.
2. What is Prime Cost?
3. What is meant by cash flow?
4. Define Zero Based budgeting.
5. What is EPS?
6. What is Ratio Analysis?
7. What is Direct Labor?
8. Define Inventory.
9. What is Flexible Budget?
10. What are Fixed Overheads?

(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 Specific Order Costing?

12. What is Time Study?

13. What is Cost Centers?

14. What is a Bin Card?

15. What is Idle Time?

16. What do you mean by Margin of safety?

17. What is Buffer Stock?

18. State any two functions of Management Accounting.

19. What is Window Dressing?

20. Calculate quick ratio when Quick Assets = 3,60,000 and Current Liabilities = 4,80,000.

21. What is Transfer Pricing?

22. What is stock Velocity?

($8 \times 2 = 16$ Marks)

SECTION – C

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

23. You are required to report to top management of eastern India engineering company the point of sales in terms of Rupee to break even for the purpose you obtain that:

    Fixed overheads Rs. 12,000

    Variable costs Rs. 12,000

    Selling price is Rs.600 per ton

    The tonnage produced and sold as 30 tons.

    (a) Rs.36,000

    (b) Rs. 32,000

    (c) Rs. 30,000

    (d) Rs. 38,000

24. Explain the various types of financial statement analysis.

25. State the various functions of management accounting.

26. What is cash budget? Enlist its objectives and advantages.

27. From the following information, calculate the current ratio:

	Rs.
Machinery	2,50,000
Prepaid expenses	2,000
Sundry Debtors	1,67,500
Cash in hand and bank	15,500
Short Term Investments	20,000
Su Sundry Creditors	1,50,000
Stock	1,45,000
Bills payable	38,000
Expenses Payable	12,000
Long Term Loans	75,000

28. Calculate cash from operating activities from the following:

	31st March 2007 Rs.	31st March 2008 Rs.
Profit and Loss Account	60,000	65,000
Debtors	85,000	48,000
Bills Receivable	40,000	81,000
General Reserve	1,72,000	2,07,000
Wages outstanding	26,000	8,000
Salaries prepaid	8,000	10,000
Goodwill	70,000	60,000

29. From the following balances calculate cash from operations:

	31-12-07	31-12-08
Bills Receivable	50,000	47,000
Debtors	10,000	12,500
Bills Payable	20,000	25,000
Creditors	8,000	6,000
Outstanding Expenses	1,000	1,200
Prepaid Expenses	800	700
Accrued Income	600	750
Income received in advance	800	250
Profit made during the year	-	70,000

30. Calculate the Break even point, Margin of safety and sales required to earn a profit of Rs. 5,000 from the following information:

	Rs.
Sales	40,000
Fixed costs	7,500
Direct Materials	20,000
Direct labour	6,000
Direct Expenses	4,000

31. What are the essentials of effective budgetary control?

(6 × 4 = 24 Marks)

SECTION – D

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

32. A factory engaged in manufacturing plastic toys is working at 40% capacity and produces 10,000 toys per month. The present cost break up for one toy is as under, Material : Rs. 10 Labour : Rs. 3 Overheads : Rs. [60% fixed]. The selling price is Rs. 20 per toy. If it is decided to work the factory at 50% capacity, the selling price falls by 3%. At 90% capacity, the selling price falls by 5% accompanied by a similar fall in the price of material. You are required to prepare a statement showing the profits/losses at 40%, 50% and 90% capacity utilization.

33. Give model Performa of a Fund Flow Statement with imaginary Figures.

34. What is Zero Based Budgeting? Illustrate its advantages and Disadvantages.

35. The following data are taken from the manufacturing records of a company for an year:

Fixed Expenses	Rs. '000
Depreciation	100
Rent and Rates	120
Wages and salaries	80
	300
Semi Variable expenses (at 50% capacity)	
Repairs and Maintenance	70
Indirect Labour	80
	150
Variable expenses (at 50% capacity)	
Material	250
Labour	280
	530

Assume that fixed expenses remain constant for all levels of production, semi variable expenses remain constant between 45% and 655 capacity, increase by 10% between 655 and 80% capacity and by 20% between 80% and 100% capacity. Sales of various levels are

Capacity	Sales (rs)
60%	10,00,000
75%	12,00,000
90%	15,00,000
100%	17,00,000

Prepare a flexible budget for the year and forecast the profits at 60%, 75%, 90% and 100 capacities.

(2 × 15 = 30 Marks)