Third Semester 5 Yr. B.B.A., LL.B. Examination, Oct./Nov. 2022(June 2022)
COST AND MANAGEMENT ACCOUNTING

Duration : 3 Hours Max. Marks : 80

Instructions : 1. Answer all five Units.

2. One essay type question and short note/problems is compulsory from each Unit.

3. Figures to the right indicate marks.

4. Answer should be written in English Completely.

5. Use simple calculator.

UNIT – I

Q. No. 1. a) Using the information given below, prepare a cash budget showing expected cash receipts and disbursements for the month of may and balance expected in May 31, 1986. Marks : 10

1) Expected cash balance in May 1,1986 ₹ 60,000.

2) Sales :

March – ₹ 5,00,000

April – ₹ 3,00,000

May – ₹ 8,00,000

Half collected in the month of sale, 40% in the next month, 10% in the third month.

3) Purchases :

April – ₹ 2,50,000

May – ₹ 4,00,000

40% paid in the month of purchase, 60% in the next month.

4) Wages due in May for ₹ 88,000.

Three years insurance policy due in May, for renewal ₹ 2,000 to be paid in cash.

5) Other expenses for May, payable in May, ₹ 44,000.

P.T.O.

6) Depreciation for the month of May ₹ 2,000.

7) Accrued taxes for May, payable in December, ₹ 6,000.

8) Fixed deposit receipts due May 15, ₹ 1,75,000 plus ₹ 10,000 interest.

OR

Q. No. 1. a) Explain the objectives and advantages of Budgetary Control. Marks : 10

Q. No. 1. b) Short note on zero base budgeting. Marks : 6

OR

Q. No. 1. b) Short note on Production Budget. Marks : 6

UNIT – II

Q. No. 2. a) Explain the Pre-requisite of standard costing system. Marks : 10

OR

Q. No. 2. a) Difference between standard costing and budgetary control. Marks : 10

Q. No. 2. b) Difference between standard costs and estimated costs. Marks : 6

OR

Q. No. 2. b) Explain : Efficiency standards. Marks : 6

UNIT – III

Q. No. 3. a) S. V. Ltd., manufactures a product the standard mix of which is Marks : 10

Material A = 60% at ₹ 20 per Kg.

Material B = 40% at ₹ 10 per Kg.

Normal loss in production is 20% of input. Due to shortage of material A, the standard mix was changed. Actual results for March 1989 were :

Material A = 105 Kg at ₹ 20 per Kg.

Material B = 95 Kg at ₹ 9 per Kg.

Input	200 Kg
Less : Loss	35 Kg
Output	**165 Kg**

Calculate material price variance, material usage variance, material mix variance and material yield variance.

OR

Q. No. 3. a) The standards to produce 10 units of production is as follows : Marks : 10

Material A = 60 units @ ₹ 15 p.u = ₹ 900

Material B = 80 units @ ₹ 20 p.u = ₹ 1,600

Material C = 100 units @ ₹ 25 p.u = ₹ 2,500

₹ 5,000

During the month of April, 100 units were actually produced and consumption was as follows :

Material A = 640 units @ ₹ 17.50 p.u = ₹ 11,200

Material B = 950 units @ ₹ 18.00 p.u = ₹ 17,100

Material C = 870 units @ 27.50 p.u = ₹ 23,925.

Calculate material cost variance, material price variance and material usage variance.

Q. No. 3. b) Write a short notes on a labour variance. Marks : 6

OR

Q. No. 3. b) Write a short note on overhead variance. Marks : 6

UNIT – IV

Q. No. 4. a) Cost Audit Report Rules, 1996. Marks : 10

OR

Q. No. 4. a) Duties and responsibilities of a Cost Auditor. Marks : 10

Q. No. 4. b) Circumstances under which a cost audit is ordered ? Marks : 6

OR

Q. No. 4. b) Difference between Cost Audit and Financial Audit. Marks : 6

UNIT – V

Q. No. 5. a) Explain the scope and uses of Management Audit. Marks : 10

OR

Q. No. 5. a) Explain the process of social audit. Marks : 10

Q. No. 5. b) Various components of social audit. Marks : 6

OR

Q. No. 5. b) Objectives of Management Audit. Marks : 6