Third Semester 5 Yr. B.B.A., LL.B. Examination, March/April 2023 (Dec. 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 only.

UNIT – I

Q. No. 1. (a) What is Budgetary Control ? Explain the advantages and disadvantages of Budgetary Control. Marks : 10

OR

Q. No. 1. (a) A company at present operating at 80% capacity produces and sells 40,000 units. Below given are the expenses per unit. Marks : 10

	Per unit (₹)
Direct materials	15
Direct labour	10
Factory overheads (30% fixed)	5
Office overheads (60% variable)	3
Selling and Distribution overheads (50% fixed)	2
Selling price	45

Prepare a budget at 60% capacity and 90% capacity.

Q. No. 1. (b) Prepare a production budget for three months ending 31st March, 1989 for a factory producing four products on the basis of the following information. Marks : 6

Type of Product	**Estimated stock on 1-1-1989 (units)**	**Estimated sales during Jan. – Mar. 1989 (units)**	**Desired closing stock on 31-3-1989 (units)**
A	8,000	40,000	12,000
B	12,000	60,000	20,000
C	16,000	52,000	12,000
D	12,000	48,000	8,000

OR

Q. No. 1. (b) Write a note on Flexible Budget. Marks : 6

P.T.O.

UNIT – II

Q. No. 2. (a) What is standard costing ? Explain the difference between Budgetary control and standard costing. Marks : 10

OR

Q. No. 2. (a) Explain the advantages and disadvantages of standard costing. Marks : 10

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

OR

Q. No. 2. (b) Write a short note on Basic standards and Current standards. Marks : 6

UNIT – III

Q. No. 3. (a) The standard cost of a chemical mixture is 8 tonnes of material 'A' at ₹ 40 per tonne, 12 tonnes of material 'B' at ₹ 60 per tonne and standard yield is 90% of input. Actual cost for period is as under : Marks : 10

10 tonnes of material 'A' at ₹ 30 per tonne, 20 tonnes of material B at ₹ 68 per tonne and actual yield is 26.5 tonnes. Compute :

1) Material cost variance
2) Material price variance
3) Material usage variance
4) Material mix variance
5) Material yield variance.

OR

Q. No. 3. (a) Explain the term "Variance Analysis". Write the major causes for Marks : 10

Material cost variance
Material price variance
Labour efficiency variance
Material mix variance
Material usage variance.

Q. No. 3. (b) Data relating to a job : Marks : 6

Standard rate of wage per hour	₹ 10
Standard hours	300
Actual rate of wages per hour	₹ 12
Actual Hours	200

You are required to calculate :

1) Labour cost variance.
2) Labour rate variance
3) Labour efficiency variance.

OR

Q. No. 3. (b) Product 'A' requires 10 kg of material at the rate of ₹ 4 per kg. The actual consumption of material for the manufacturing of Product 'A' came to 12 kg of material at the rate of ₹ 4.50 per kg. Marks : 6

Calculate :

1) Material cost variance.
2) Material price variance.
3) Material usage variance.

UNIT – IV

Q. No. 4. (a) What is Cost Audit ? Explain the different types of cost audit. Marks : 10

OR

Q. No. 4. (a) What is uniform costing ? Explain the advantages and disadvantages of uniform costing. Marks : 10

Q. No. 4. (b) What are the requisites of Inter-firm comparison system ? Marks : 6

OR

Q. No. 4. (b) What are the rights of a Cost Auditor ? Marks : 6

UNIT – V

Q. No. 5. (a) Explain the objectives, advantages and limitations of management audit. Marks : 10

OR

Q. No. 5. (a) Explain the process of Social Audit. Marks : 10

Q. No. 5. (b) Importance of management audit. Marks : 6

OR

Q. No. 5. (b) Short note on social audit. Marks : 6