III Semester 5 Year B.B.A. LL.B. Examination, September/October 2023
(June 2023)
COST AND MANAGEMENT ACCOUNTING

Duration : 3 Hours　　Max. Marks : 80

Instructions :
1. **Answer all five Units.**
2. **One essay type question and short note/problem is compulsory.**
3. **Figures to the right indicate marks.**
4. **No using scientific calculators.**

UNIT – I

Q. No. 1. (a) The following data are available in a manufacturing company for a period at 50% capacity with 50000 units　Marks : 10

Particulars	Rs. (Lakhs)
Wages and salaries	9.5
Rent and taxes (fixed)	6.6
Repairs and maintenance (45% fixed)	3.5
Indirect labour (60% fixed)	2.5
Sales department salaries (50% fixed)	2.0
Materials	21.7
Labour	20.4
Other expenses	7.9

Prepare flexible budget 60% and 75%.

OR

(a) Distinguish between fixed and flexible budget.　Marks : 10

Q. No. 1. (b) Prepare a production budget for 6 months of product 'X' : Marks : 6

Months	Sales in units
July	1100
August	1100
September	1700
October	1900
November	2500
December	2300
January	2000

Finished units equal to half of sales for next month will be in stock at the end of each month including January 2017. Opening stock is half of the budgeted sales of same month.

OR

(b) What do you mean by functional budgets and explain its advantages. Marks : 6

UNIT – II

Q. No. 2. (a) Define standard costing. Explain briefly the significance of standard costing as a technique of cost control. Marks : 10

OR

(a) Describe the procedure of establishing standard cost within the divisions of material, labour and overheads. Marks : 10

Q. No. 2. (b) Explain the principles and determinants of material and labour variance. Marks : 6

OR

(b) What is standard costing and how would you distinguish it with budgetary control ? Marks : 6

UNIT – III

Q. No. 3. (a) The standard material cost to produce a standard mix by using 60 kg of chemical X and 40 kg of chemical Y. Marks : 10

Standard loss of production is 30%

Standard price of X is Rs. 5 per kg and Y is Rs. 10 per kg.

The actual mix and yield were as follows :

X : 80 kgs @ Rs. 4.5 per kg

Y : 70 kgs @ Rs. 8 per kg

The actual yield was 115 kgs. Calculate material variances.

OR

(a) Find out labour cost variance, labour mix variance, labour efficiency variance from data given below : Marks : 10

Budgeted labour composition for producing 500 articles

100 men @ Rs. 15 per hour for 20 hours

200 women @ Rs. 12.5 per hour for 15 hours

Actual labour composition for producing 500 articles

120 men @ Rs. 17.5 per hour for 15 hours

200 women @ Rs. 12.5 per hour for 20 hours

Q. No. 3. (b) Explain the following terms : Marks : 6

1) Labour mix variance
2) Material yield variance
3) Material price variance.

OR

(b) Write a note on material efficiency variance. Marks : 6

UNIT – IV

Q. No. 4. (a) Explain cost audit report rules. Marks : 10

OR

(a) What are the essential requisites for installation of uniform costing system ? Marks : 10

Q. No. 4. (b) Explain the duties of a cost auditor. Marks : 6

OR

(b) Mention general features of interfirm comparison. Marks : 6

UNIT – V

Q. No. 5. (a) Define management audit. State the merits and demerits of management audit. Marks : 10

OR

(a) Explain social audit and cost audit. Marks : 10

Q. No. 5. (b) Write a note on objectives of management audit. Marks : 6

OR

(b) State the merits of social audit. Marks : 6
