



0334/1613

Third Semester 5 Year B.B.A. LL.B. Examination, Jan./Feb. 2026 (Odd Sem.)
COST AND MANAGEMENT ACCOUNTING

Duration : 3 Hours

Max. Marks : 100

- Instructions :
1. Answer Q. No. 9 and any five of the remaining questions.
 2. Q. No. 9 carries 20 marks and the remaining questions carry 16 marks each.
 3. Answers should be written in English completely.
 4. Use simple calculator only.

- Q. No. 1. Define Budgetary Control. Discuss the advantages and limitations of budgetary control. Marks : 16
- Q. No. 2. Define management audit. How does it differ from cost audit and financial audit. Marks : 16
- Q. No. 3. Explain the objectives of uniform costing. State the essential requisites for installation of a uniform costing system. Marks : 16
- Q. No. 4. What is standard costing ? Explain the establishment of a standard costing system. Marks : 16
- Q. No. 5. What is cost audit ? Explain the functions of a cost auditor. Marks : 16
- Q. No. 6. The standard material input, required for 1000 kgs of a finished product are given below : Marks : 16

Material	Quantity (kgs)	Std. Rate per kg (₹)
A	450	20
B	400	40
C	250	60
Total	1,100	
Std. loss	100	
Std. Output	1,000	

Actual production in a period was 20,000 kgs of finished product for which the actual quantities of material used and the prices paid thereof was as under

Material	Quantity (kgs)	Purchase price per kg (₹)
A	10,000	19
B	8,500	42
C	4,500	65

P.T.O.

**Calculate :**

- (i) Material cost variance
- (ii) Material price variance
- (iii) Material usage variance
- (iv) Material mix variance
- (v) Material yield variance.

Q. No. 7. From the following data, prepare a flexible budget for production of 40,000 units and 75,000 units distinctly showing variable cost and fixed cost as well as total cost. Also indicate element - wise cost per unit. Budgeted output is 1,00,000 units and budgeted cost per unit is as follows :

Marks : 16

	₹
Direct material	95
Direct labour	50
Production overhead (variable)	40
Production overhead (fixed)	5
Administration overhead (fixed)	5
Selling overhead (10% fixed)	10
Distribution overhead (20% fixed)	15

Q. No. 8. Write short note on **any two** of the following :

Marks : 2×8=16

- (a) Inter-firm comparison
- (b) Social Audit
- (c) Classification of budgets.

Q. No. 9. Solve **any two** of the following problems :

Marks : 2×10=20

- (a) A company is expecting to have ₹ 25,000 cash in hand on 1st April 2023 and it requires you to prepare cash budget for three months - April to June 2023. The following information is supplied to you.

Month	Sales (₹)	Purchases (₹)	Wages (₹)	Expenses (₹)
Feb.	70,000	40,000	8,000	6,000
March	80,000	50,000	8,000	7,000
April	92,000	52,000	9,000	7,000
May	1,00,000	60,000	10,000	8,000
June	1,20,000	55,000	12,000	9,000



Additional information :

- (a) Period of credit allowed by suppliers is two months.
 - (b) 25% of sale is for cash and the period of credit allowed to customers for credit sale is one month.
 - (c) Delay in payment of wages and expenses is one month.
 - (d) Income tax of ₹ 25,000 to be paid in June 2023.
- (b) Premier Ltd. manufactures a particular product, the Std. direct labour cost of which is ₹ 120 per unit, whose manufacture involves the following :

Grade of workers	Hours	Rate (₹)	Amount (₹)
A	30	2	60
B	20	3	60
	50		120

During a period, 100 units of the product were produced, the actual labour cost of which was as follows :

Grade of workers	Hours	Rate (₹)	Amount (₹)
A	3,200	1.50	4,800
B	1,900	4.00	7,600
	5,100		12,400

Calculate :

- (i) Labour cost variance
 - (ii) Labour rate variance
 - (iii) Labour efficiency variance
 - (iv) Labour mix variance.
- (c) With the following data for a 60% activity, prepare a flexible budget for production at 80% capacity.
- Production at 60% capacity - 300 units
- Materials – Rs. 100 per unit
- Labour – Rs. 40 per unit
- Direct expenses – Rs, 10 per unit
- Factory expenses – Rs, 40,000 (40% fixed)
- Administrative expenses – Rs, 30,000 (60% fixed)