

B.B.A/B.B.M. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2016**Fourth Semester****Common Course—COST ACCOUNTING****(Common for B.B.A and B.B.M.)****[Prior to 2013 Admissions]****Time : Three Hours****Maximum Weight : 25****Part A (Objective Type Questions)***Answer all questions.**Each bunch of four questions carries a weight of 1.*

- I. 1. In a multi-product firm, activity levels for a flexible budget are based on :
(a) output measures. (b) input measures.
(c) Either. (d) Neither.
2. Absorption costing measures contribution to profit as :
(a) Sales less unit- level costs spent of goods sold.
(b) Sales less absorption cost of goods sold.
(c) Sales less absorption cost of goods sold.
(d) Sales less all costs including operating expenses.
3. Bin card system is also known as two bin system :
(a) True. (b) False.
4. An example of a production overhead would be :
(a) Materials. (b) Rent.
(c) Supervisory costs. (d) Labour cost.
- II. 5. A point in business where total sales is equal to its total costs :
(a) Reorder point. (b) Breakeven point.
(c) Buffer point. (d) safety level.
6. The difference between the standard cost of materials and the actual cost gives :
(a) MCV. (b) MPV.
(c) MOV. (d) MYV.
7. Which of the following is not a method of capital investment appraisal ?
(a) Net book value. (b) IRR.
(c) Pay back. (d) NPV.

Turn over

8. The amount of resources given up in exchange for some goods or services :

- (a) Units.
- (b) Cost.
- (c) Project.
- (d) none.

III. 9. If the standard cost is higher than the actual cost then the difference would be known as ;

- (a) Negative.
- (b) Positive.
- (c) Adverse.
- (d) Favorable.

10. Cost accounting information can be used for :

- (a) Budget control and evaluation.
- (b) Determining standard costs and variances.
- (c) Pricing and inventory valuation decisions.
- (d) All of these.

11. Which of the following product costs is both a prime cost and conversion cost ?

- (a) All of the following (a, b, and c).
- (b) Manufacturing overhead.
- (c) Direct material.
- (d) Direct labour.

12. The time value of money focuses on :

- (a) Cash flow.
- (b) EPS.
- (c) accounting net income.
- (d) current earnings.

IV. 13. Which of the following is not an intangible asset ?

- (a) Goodwill.
- (b) patents and copyrights.
- (c) R & D Costs.
- (d) Scientific Equipments.

14. Which expense below is not an administrative overhead ?

- (a) Stationary and advertising.
- (b) depreciation of production equipment.
- (c) Marketing And Promotion.
- (d) Depreciation Of Office Equipment.

15. Absorption costing is also called :

- (a) Marginal costing.
- (b) Total Costing.
- (c) Activity Based Costing.
- (d) Variable Costing.

16. Contribution is calculated by the formula "Sales - Fixed Costs :

- (a) True.
- (b) False.

(4 × 1 = 4)

Part B

*Answer any five of the following.
Weight 1 each.*

17. What is A Flexible Budget ?
18. Define Standard Costing.
19. Define Maximum Stock Level.
20. Activity Based Costing.
21. Cost Ascertainment.
22. Explain Labour Turnover.
23. What Do You Mean By Material Variance Analysis ?
24. PV Ratio.

(5 × 1 = 5)

Part C

*Answer any four of the following.
Each question carries weight 2.*

25. Distinguish between the following :—
 'Bin card' and 'stores ledger'.
 'Fixed cost' and 'variable cost'.
26. How are variable cost and fixed cost treated in marginal costing ?
27. Find out the EOQ from the following :—
 Annual usage 6,000 units cost of material per unit Rs. 20, cost of placing and receiving (one order Rs. 60, and annual carrying cost of one limit 10% of inventory value.
28. What is a cost sheet ? What are its advantages ?
29. How do you treat work-in-progress in cost sheet ?
30. What do you mean by double bin system ?

(4 × 2 = 8)

Part D

*Answer any two of the following.
Each question carries weight 4.*

31. State the function of the purchase department in any factory ?
32. Distinguish between financial accounting and management accounting.
33. What are the major considerations that should be kept in mind in determination and selection of accounting policies ?

(2 × 4 = 8)