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Reg. No.....

Name.....

B.B.A. DEGREE (C.B.C.S.) EXAMINATION, JUNE 2018

Second Semester

Core Course—COST AND MANAGEMENT ACCOUNTING

(2017 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

*Answer any ten questions.
Each question carries 2 marks.*

1. What is cost unit ?
2. What is JIT ?
3. Define marginal costing.
4. What is budget ?
5. What is margin of safety ?
6. Explain ABC analysis.
7. What is piece rate wage system ?
8. What is Re-order level ?
9. What is cash budget ?
10. What is FIFO method ?
11. What is fringe benefit ?
12. What is the difference between spoilage and scrap ?

(10 × 2 = 20 marks)

Part B

*Answer any six questions.
Each question carries 5 marks.*

13. What is the labour turnover and its causes ?
14. Give a specimen of the cost-sheet.
15. Find out EOQ when the annual consumption is 6,000 kg. ordering cost is Rs. 120/ order, prize per kg. is Rs. 20 and carrying cost is 20 %. Also ascertain the frequency of placing order.

Turn over

16. Difference between time keeping and time booking.
 17. What are the different tools and techniques of management accounting ?
 18. From the data given below :

Calculate machine-hour rate :

Items	Rate/annum
Rent of department (space)	
occupied by the machine is $\frac{1}{5}$ th of the department	780
Supervision number of men in the department 12, two men are engaged on this machine	288
Insurance	36
Cotton waste, oil et	60
Salary of foremen ($\frac{1}{4}$ th of the foreman's time is occupied by this machine	6,000

The cost of the machine is Rs. 9,200 and it has an estimated scrap value of Rs. 200. It is ascertained from the past experience that :

- The machine will work for 1,800 hrs./annum.
- It will incur expenditure of Rs. 1,125 in respect of repairs and maintenance during the whole period of life.
- It consumes 5 units of power/hr, at the cost of Re. 1/unit.
- Working life of the machine will be 10 years.

19. Vasanth Ltd. purchased and issued the materials in the following order :

2017 January	1	Purchased 300 units @ Rs. 3/ unit.
	5	Purchased 500 units @ Rs. 4/ unit.
	10	Issued 5,000 units.
	12	Purchased 7,000 units @ 7/ unit.
	15	Issued 700 units.
	20	Purchased 300 units @ Rs. 5/ unit
	30	Issued 150 units.

Ascertain the quantity and value of closing stock as on January 31st 2017 under the weighted average cost method.

20. Explain cash budget.
 21. Explain the difference between Halsey and Rowan Plan.

(6 × 5 = 30 marks)

Part C

*Answer any two questions.
 Each question carries 15 marks.*

22. Explain the difference between financial accounting and cost accounting.
 23. Explain the term marginal costing ? What are the advantages and disadvantages of marginal costing ?
 24. The following are the figures relating to the production of commodity for the month of January 2017 :

		1 - 1 - 2017	31 - 1 - 2017
		(INR)	(INR)
Stock of raw material	...	75,000	50,000
Work in progress	...	5,000	3,000
Stock of finished goods	...	75,000	53,000
Purchase of raw material	...	—	10,000
Direct wages	...	—	5,000
Work over heads	...	—	2,000
Administration overhead	...	—	3,000
Selling and Distribution overhead	...	—	2,000
Sales	...	—	1,77,000

Prepare Cost Sheet showing cost of production and profit.

25. In a factory two types of radios are manufactured popular and delux models. From the following particulars, prepare a statement showing cost and profit per radio sold. There is no opening stock :

		Popular	Delux
Labour	...	46,800	62,920
Material	...	81,900	1,08,680

Turn over

Work overhead is charged at 80 % on labour and office overhead at 15 % on work cost. Popular radio sold are 234 at Rs. 1,000 each and Delux radio 286 at Rs. 1,100 each. If work expenses are Rs. 87,000 and office expenses Rs. 58,000. Find out the profit as per financial accounts. Prepare a reconciliates statement to reconcile the cost profit disclosed by financial books.

(2 × 15 = 30 marks)