



0334

**Third Semester B.B.A.,LL.B. (Five Year) Examination, June/July 2012  
COST AND MANAGEMENT ACCOUNTING**

Duration : 3 Hours

Max. Marks : 100

- Instructions:** 1. Answer **all 5** questions.  
2. **One** essay type and short note question or problem from **each** question have to be attempted, which is referred as Part (a) and Part (b).

**UNIT – I**

- Q. No. 1. (a) For production of 10,000 electrical automatic irons the following are budgeted expenses.

Marks : 15

<b>Particulars</b>	<b>Cost Per Unit (Rs.)</b>
Materials	60
Labour	30
Variable overheads	25
Fixed overheads (Rs. 1,50,000)	15
Variable expenses (Direct)	05
Selling expenses (10% fixed)	15
Distribution expenses (20% fixed)	05
Administrative expenses (Rs. 50,000 fixed for all level of production)	05
<b>Total cost per unit</b>	<b>160</b>

Prepare a budget for production of 6,000, 7,000 and 8,000 irons.

OR

Distinguish between fixed and flexible budget.

- (b) Write a short note on :

Marks : 5

Explain any five functional budgets.

OR

**P.T.O.**



A manufacturing company submits the following figures for the 1<sup>st</sup> quarter 2006.

<b>Sales in Units</b>	<b>x</b>	<b>y</b>	<b>z</b>
January	25,000	30,000	10,000
February	20,000	25,000	10,000
March	30,000	35,000	10,000
Selling price per unit	Rs. 10	Rs. 20	Rs. 40

Target for 1<sup>st</sup> quarter 2007.

	<b>x</b>	<b>y</b>	<b>z</b>
Sales quantity increases	20%	10%	10%
Selling price increases	–	10%	25%

You are required to prepare sales budget for the 1<sup>st</sup> quarter 2007.

### UNIT – II

Q. No. 2. (a) Define the term 'standard cost'. Distinguish between budgeted cost and standard cost.

Marks : 15

OR

Explain at what level should the standards be set ?

(b) Write a short note on :

Marks : 5

What are the advantages of standard costing ?

OR

Explain briefly the significance of standard costing as a technique of cost control.

### UNIT – III

Q. No. 3. (a) Gemini Chemical Industries provide the following information from their records

Marks : 15

For making of 100 kgs. of Gemco the standard material requirement is

<b>Material</b>	<b>Quantity</b>	<b>Rate per kg</b>
	<b>kgs</b>	<b>Rs.</b>
A	80	6.00
B	40	4.00



During April 2002, 1000 kgs of Gemco were produced.

The actual consumption of material is as under :

<b>Material</b>	<b>Quantity</b>	<b>Rate per kg</b>
	<b>kgs.</b>	<b>Rs.</b>
A	750	7.00
B	500	5.00

Calculate :

- a) Material Price Variance
- b) Material Cost Variance
- c) Material Usage variance.

OR

Explain the term 'variance' and distinguish between controllable and uncontrollable variance.

- (b) Write a short note on :

Marks : 5

What do you mean by labour efficiency variance ? How it is calculated ?

OR

Explain overhead variances.

#### UNIT – IV

- Q. No. 4. (a) What you understand by 'inter-firm' comparison ? What are its advantages and limitations ?

Marks : 15

OR

Explain the functions of cost auditor.

- (b) Write a short note on :

Marks : 5

Cost audit and Uniform costing.

OR

What are the functions of cost audit ?

0334

-4-



**UNIT – V**

Q. No. 5. (a) Explain :

Marks : 15

- a) Management audit
- b) Efficiency audit.

OR

Distinguish between management and cost audit.

(b) Write a short note on :

Marks : 5

Advantages of social audit.

OR

Limitations of management audit.

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