



0334

Third Semester 5 Year B.B.A. LL.B. Examination, December 2014
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**.
4. **Use** simple calculator.

- Q. No. 1. What is budgetary control ? State the objectives and advantages of budgetary control. Marks : 4×16=64
- Q. No. 2. Define standard costing. Distinguish between budgetary control and standard costing.
- Q. No. 3. Define and explain what do you understand by the following :
- (i) Material usage variance
 - (ii) Material mix variance
 - (iii) Idle time variance
 - (iv) Labour efficiency variance.
- Q. No. 4. Explain the Cost Audit rules (Report) 1996.
- Q. No. 5. Explain the advantages and limitations of uniform costing.
- Q. No. 6. Distinguish between Management Audit and Cost Audit.
- Q. No. 7. Explain the advantages and disadvantages of Social Audit.
- Q. No. 8. Write short note on **any two** of the following : Marks : 2×8=16
- (a) Functions of Cost Audit
 - (b) Basic standard and current standard
 - (c) Zero-Base budgeting.

P.T.O.



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

Marks : 2×10=20

- (a) A manufacturing company has the production capacity of 20000 units per year. The expenses budgeted for 12000 units. for a period are as follows :

	Per Unit (₹)
Direct materials	100
Direct wages (40% fixed)	20
Manufacturing expenses (40% fixed)	20
Administration expenses (fixed)	10
Selling and distribution expenses (60% fixed)	10
Total cost	160

Prepare a flexible budget showing 70% and 100% level of capacity.

- (b) Using the following information calculate labour cost variance, labour rate variance, labour efficiency variance and Idle time variance :

Standard Hours	: 5000
Standard labour hours rate	: ₹ 4 per hour
Actual hours	: 6000
Actual labour rate	: ₹ 3.50 per hour
Time lost on account of machine breakdown	: 300 hours

- (c) From the following information :

Calculate : material cost variance
 material price variance
 material usage variance

Standard :

Material required to manufacture one unit of product is 10 Kgs.
 Standard price per Kg : ₹ 2.50 of material.

Actual :

Materials used	: 11500 Kgs
Material cost	: ₹ 27,600
Output (units)	: 1000
