



0334

**Third Semester 5 Year B.B.A. LL.B. Examination, December 2015**  
**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 ? Write the objectives and merits of Budgetary Control. Marks : 16
- Q. No. 2. What is standard cost and standard costing ? State the advantages and limitations of standard costing. Marks : 16
- Q. No. 3. Explain the term "Variance Analysis". Write the major causes for Marks : 16
- i) Material usage variance
  - ii) Material price variance
  - iii) Labour Efficiency variance
  - iv) Idle Time variance
- Q. No. 4. What is meant by Uniform costing ? Write the merits and demerits of uniform costing. Marks : 16
- Q. No. 5. What is meant by the cost Audit ? What are the objectives and advantages of Cost Audit ? Marks : 16
- Q. No. 6. For production of 10,000 Electrical machines, the following are Budgeted expenses. Marks : 16

	Per Unit
	₹
Direct Materials	60
Direct Wages	30
Variable overheads	25
Fixed overheads (₹ 1,50,000)	15

P.T.O.



Direct variable Expenses	05
Selling Expenses (90% variable)	15
Administration Expenses, (₹ 50,000 Fixed for all levels of Production)	05
Distribution Expenses (20% fixed)	05
<b>Total Cost of sale per Unit</b>	<b>160</b>

Prepare a Flexible budget for production of 7,000 and 8,000 units. Showing total cost and cost per unit.

Q. No. 7. The following details relating to the product 'X' during the month of November 2015 are available. You are required to compute the

Marks : 16

- 1) Material Cost variance
- 2) Labour Cost variances
- 3) Material Price variance
- 4) Material usage variance
- 5) Labour rate variance
- 6) Labour efficiency variance.

Standard Cost per Unit :

Materials 50 Kgs @ ₹ 40 per kg

Labour 400 hours @ ₹ 1.00 per hour.

Actual cost for the month

Material 4900 Kgs @ ₹ 42 per Kg.

Labour 39,600 hours @ ₹ 1.10 per hour.

Actual Production 100 units



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

Marks : 2×8=16

- a) Basic standard and Current standard
- b) Cost Audit and Financial Audit
- c) Scope of Social Audit.

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

Marks : 2×10=20

a) Using the following information

Calculate Labour Cost Variance

Labour rate Variance

Labour efficiency Variance

Idle time Variance

Standard Hours – 5000

Standard Labour Rate – ₹ 4 per hour

Actual Hours – 6000

Actual Labour Rate – ₹ 3.50 per hour

Abnormal idle time due to machine break down : 300 hours

b) Calculate, variable overhead variance

Fixed overhead variance

Fixed overhead volume variance

Fixed overhead Expenditure variance

Information given

	<b>Standard</b>	<b>Actual</b>
Fixed overheads (₹)	8,000	8,500
Variable overheads (₹)	12,000	11,200
Out put in units	4,000	3,800



c) From the following information prepare a cash Budget for 3 months from May to July.

<b>Months</b>	<b>Sales</b>	<b>Purchase</b>	<b>Wages</b>
March	40,000	20,000	6,000
April	50,000	30,000	4,000
May	60,000	25,000	7,000
June	70,000	28,000	3,000
July	60,000	30,000	5,000

Additional Information.

- 1) Opening Cash Balance ₹ 6,000
  - 2) Period of credit allowed by suppliers is 2 months.
  - 3) Period of Credit allowed to customers is one, month.
  - 4) Delay in payment of wages is one month.
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