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Total No. of Questions : 07]

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[Total No. of Pages : 02

BBA (Sem. -3<sup>rd</sup>)

**COST AND MANAGEMENT ACCOUNTING**

**SUBJECT CODE : BB - 303**

**Paper ID : [C0215]**

[Note : Please fill subject code and paper ID on OMR]

**Time : 03 Hours**

**Maximum Marks : 60**

**Instruction to Candidates:**

- 1) Section - A is **Compulsory**.
- 2) Attempt any **Four** questions from Section - B.

**Section - A**

**Q1)**

**(10 × 2 = 20)**

- a) Explain the meaning of material price variances.
- b) Briefly discuss the scope of cost accounting.
- c) What is flexible budget?
- d) What is re-order level?
- e) Explain the term quotation price.
- f) What do you understand by re-conciliation?
- g) Give the formula for calculating P/V ratio.
- h) Distinguish between direct and indirect cost.
- i) Explain briefly uses of fund flow statement.
- j) Distinguish between marginal cost and marginal costing.

**Section - B**

**(4 × 10 = 40)**

**Q2)** Explain the objective and advantages of cost accounting.

**Q3)** What do you understand by fund flow statement? Distinguish between cash flow statement and fund flow statement.



- Q4)** Define overhead costs. Distinguish between fixed, semi fixed, and variable overhead cost giving an example of each.
- Q5)** The following data relate to the produce of a standard during the month of March 2008

|                       |                        |
|-----------------------|------------------------|
| Raw Material Consumed | Rs.80,000              |
| Direct wages          | Rs.48,000              |
| Machine Hours worked  | Rs. 8,000              |
| Machine Hour rate     | Rs. 4                  |
| Office overheads      | 10% of works cost      |
| Selling overheads     | Rs. 1.50 per unit sold |
| Units produced        | 4,000                  |
| Units sold            | 3600 @ Rs. 50 each     |

You are required to prepare a cost sheet in respect of the above showing:

- Cost per unit
- Profit for the period

**Q6)** What do you understand by budgetary control? Explain the various types of budgets.

**Q7)** The net profit of a business house according to financial accounts was Rs. 84,377 while profits shown by costs accounts was Rs. 1,06,200 for the same years. Prepare reconciliation statement to reconcile both the profits from the following information.

- Depreciation charged in financial accounts Rs. 5600 while recovered in cost account Rs. 6250.
- Works over heads under absorbed in cost accounts Rs 1560 while office overheads over recovered in cost accounts Rs. 850.
- Interest on loan not includes in costs Rs. 4000.
- Loss due to obsolescence charged in financial accounts Rs. 2850.
- Bank interest and dividend received Rs. 375.
- Income tax paid Rs. 20,150.
- Loss due to depreciation in inventories charged in financial accounts Rs.3,375.
- Stores adjustment (credited in financial accounts) Rs. 237.

