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Total No. of Questions : 9 ] [ Total No. of Pages : 3

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**B.B.A. 3rd Semester  
Examination, March-2021  
(New Scheme 2014-17)**

**COST AND MANAGEMENT ACCOUNTING  
Paper-BBAN-301**

*Time : Three Hours ] [ Maximum Marks : 80*

*Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.*

**Note :-** Attempt five questions in all, selecting one question from each Unit of Section-B. Question No. 1 is compulsory.

**Section-A**

1. (a) What is meant by Unit of Cost ?
- (b) Distinguish between 'Indirect Expenses' and overheads.

- (c) Distinguish between normal and abnormal idle time.
- (d) Define the over time.
- (e) Write note on cost-plus contract.
- (f) Explain the stock turnover ratio.
- (g) Define the Batch costing.
- (h) Define the Financial Budgeting. 2×8=16

**Section-B**

**Unit-I**

16 each

2. What is the significance of cost accounting to management ? In what respect does cost accounting differ from financial accounting ?
3. What are the objects of material control ? State briefly the various methods for pricing the issue of materials.

**Unit-II**

16 each

4. What is meant by 'Overhead Expenses' ? Give the various methods of absorbing overhead.
5. Define normal wastage, abnormal wastage and abnormal effectiveness and explain their effects on the ascertainment of cost of an article. How will they be treated in process cost accounting ?

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**Unit-III**

16 each

6. In a period, sales amount to ₹ 4,00,000 and net profit ₹ 40,000. Fixed overheads are ₹ 60,000. Find out :
- (a) P/V ratio
  - (b) Profit when sales will be ₹ 6,00,000
  - (c) Sales to earn a profit of ₹ 60,000
  - (d) Contribution at the sales of ₹ 3,00,000
7. Explain the various types of responsibility centres and define responsibility accounting.

**Unit-IV**

16 each

8. What is meant by analysis of financial statements? Discuss its objectives and types.
9. A machine costs ₹ 8,000 and is expected to produce profits before depreciation of ₹ 2,500 in each of years 1 and 2 and ₹ 3,500 in each of years 3 and 4. Assuming that the machine is depreciated at a constant rate of ₹ 2,000 a year and that there are no taxes, what is the average rate of return ?