

BBA-3rd Semester (New Scheme)  
Examination, November-2023  
COST AND MANAGEMENT ACCOUNTING  
Paper - BBAN-301

(2)

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Unit-I

Time allowed : 3 hours]

[Maximum marks : 80

Note : Attempt five questions in all, selecting one question from each unit. Question No. 1 is compulsory. All questions carry equal marks.

1. (a) What is meant by costing system?
- (b) Define cost assignment.
- (c) Define inventory carrying cost.
- (d) What are the objectives of time booking?
- (e) What is trend analysis?
- (f) What are the features of job costing?
- (g) Explain nature of management accounting.
- (h) Write a short note on cost plus contract.

8×2=16

2. Discuss the functions, characteristics and benefits of a costing system. 16
3. What are the methods of costing? Explain their adaptability in different industries. 16

Unit-II

4. (a) Discuss various methods of wage payment. 16
- (b) Explain the meaning and causes of idle time. What is its effect on production cost? 16
5. Define normal wastage, abnormal wastage and abnormal effectiveness and explain their effect on the cost of an product. How they will be treated in process of cost accounting? 16

Unit-III

6. The following data are obtained from records of a company: 16

	First Year	Second Year
Sales (Rs.)	80,000	90,000
Profit (Rs.)	10,000	14,000

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Calculate:

- (a) P/V ratio
- (b) Break even point
- (c) Profit and Loss on sales on Rs. 50,000
- (d) Sales required to earn a profit of Rs. 19,000

7 ✓ Explain various types of responsibility centers and define responsibility accounting. 16

Unit-IV

8. Taking hypothetical examples, explain and illustrate Leverage ratio. 16

9 ✓ A machine costs Rs. 8,000 and is expected to produce a profit before depreciation of Rs. 2,500 in each of years 1 and 2 and Rs. 3,500 in each of years 3 and 4. Assume the machine is depreciated at a constant rate of Rs. 2,000 and that there are no taxes. What is the average rate of return? 16