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Total No. of Questions : 09

BBA (Sem.–3)

COST & MANAGEMENT ACCOUNTING

Subject Code : BBA303-18

M.Code : 76657

Date of Examination : 26-11-2025

Time : 3 Hrs. Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains FOUR Sub-sections UNIT-I, II, III & IV, each Sub-section contains TWO question and students have to attempt ONE question from each Sub-section carry TEN marks each.

SECTION - A

1. Write briefly :

a) Cost Control

b) Current Ratio

c) Comparative Income Statement

d) Overhead Calendar Variance

e) Fixed Budget

f) Rolling Budget

g) Contribution

h) Break Even Point

i) Differentiate Cost and Management Accounting.

j) Trend Analysis

SECTION - B

UNIT - I

2. Define cost. Discuss in detail the various types of cost used for managerial decision making.

3. **Using the following information, you are required to compute :** a) Current Ratio, b) Quick Ratio, c) Debt-Equity Ratio, d) Gross Profit Ratio and e) Net Profit Ratio :

   - Current Assets = 8,00,000
   - Inventory = 2,50,000
   - Current Liabilities = 4,00,000
   - Long-term Debt = 6,00,000
   - Share Capital = 5,00,000
   - Reserves & Surplus = 3,00,000
   - Fixed Assets - 10,00,000
   - Sales - 20,00,000
   - Cost of Goods Sold = 15,00,000
   - Operating Expenses = 2,00,000
   - Net Profit = 2,50,000

UNIT - II

4. *'The quality of financial statement analysis depends upon the reasoning ability, skill of the analyst and true and fair picture of business presented in financial statements'.* Elucidate with suitable examples.

5. **A company manufactures a product using a standard mix of materials A and B as follows :**

   - **Material A :** 60 kg @ Rs. 5 per kg;
   - **Material B :** 40 kg @ Rs. 10 per kg

   Thus, the standard input = 100 kg. Expected to yield 90 kg output.

   During a particular month, the company produced 1,800 kg of output, using the following actual quantities of materials :

   - **Material A** : 1,200 kg @ Rs. 6 per kg;
   - **Material B :** 800 kg @ Rs. 9 per kg

   You are required to calculate :

   a) Material Cost Variance; b) Material Price Variance; c) Material Usage Variance; d) Material Mix Variance and e) Material Yield Variance.

UNIT - III

6. What do you mean by budgetary control? Differentiate between zero base budgeting and conventional budget. Briefly discuss the objectives of budgetary control.

7. **The following information relates to XYZ Ltd. :**

   - Standard Cost per Unit of Product :
     - Direct Materials = Rs. 10
     - Direct Labour = Rs. 8
     - Variable Overheads = Rs. 4
     - Fixed Overheads = Rs. 12,000 per month
     - Semi-Variable Overheads = Rs. 1,000 fixed + Rs. 2 per unit

   You are required to prepare a flexible budget for 800 units, 1000 units and 1200 units.

UNIT - IV

8. Differentiate between absorption costing and marginal costing. Briefly describe mathematical and graphical methods for break-even analysis.

9. **ABC Ltd. produces a single product. The following information is available for the month of April 2025 :**

   - Selling Price per Unit = Rs. 50
   - Variable Costs per Unit:
     - Direct Material = Rs. 15
     - Direct Labour = Rs. 10
     - Variable Overhead = Rs. 5
   - Fixed Costs (per month) = Rs. 60,000

   You are required to compute the following :

   a) Contribution per Unit.

   b) P/V Ratio

   c) Calculate Break-even Point in units.

   d) Calculate Break-even Point in value.

   e) Calculate Margin of Safety if actual sales are 5,000 units.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.