



**Third Semester Five Year B.B.A. LL.B. (Hons.) Examination, January 2012**  
**COST AND MANAGEMENT ACCOUNTING**

Duration : 2  $\frac{1}{2}$  Hours

Max. Marks : 70

- Instructions:** 1. Answer **all 5** questions.  
 2. **One** essay type and **one** short note question or problem from **each unit** have to be attempted, which is referred as part (a) and (b) in all the units.  
 3. Figures to the right indicate marks.

**UNIT – I**

Q. No. 1. (a) A company manufactures two products A and B and budgeted data for the year are as follows :

Marks : 9

	<b>Product A</b>	<b>Product B</b>
	₹	₹
Selling Price per unit	100	75
Direct material per unit	20	10
Direct wages per unit	5	4
Total works overhead	10,105	9009

The sales manager forecast the sales in units as follows :

	<b>Product A</b>	<b>Product B</b>
January	28	10
February	28	12
March	24	16
April	20	20
May	16	24
June	16	24

It is assumed that :

- There will be no work in progress at the end of any month and
- Finished equal to half of the sales for the following month will be kept in stock.

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- a) Prepare :
- A production budget for 5 months
  - Production cost budget

OR

What are the different types of functional budgets.

- (b) Write a short note on :

Marks : 5

Define budgetary control and give its essentials.

OR

The following data are available in a manufacturing company for a period at 50% of capacity.

	Rs. (lakhs)
Wages and salaries (Fixed)	9.5
Rent and taxes (Fixed)	6.6
Repairs and maintenance (45% fixed)	3.5
Indirect labour (60% fixed)	2.5
Sales department salaries (50% fixed)	2.0
Materials	21.7
Labour	20.4
Other expenses	7.9

Prepare flexible budget for 60% of capacity.

## UNIT – II

- Q. No. 2. (a) Define standard cost and standard costing. State the advantages of standard costing.

Marks : 9

OR

What do you understand by the following in the context operating a standard cost

- Ideal standard
- Average standard
- Attainable standard.



(b) Write a short notes on :

Marks

Distinguish between

Budgetary control and standard costing.

OR

What are the problems in setting standard cost ?

### UNIT – III

Q. No. 3. (a) A manufacturing concern which has adopted standard costing furnishes the following information :

Marks : 9

**Standard :**

Material for 70 kg finished product 100kg

Price of material Re. 1 per kg

**Actual :**

Output 2,10000 kgs

Material used 2,80000 kgs

Cost of material Rs. 2,52,000

**Calculate :**

- a) Material cost variance
- b) Material price variance
- c) Material usage variance.

OR

a) Explain :

- a) Volume variance
- b) Yield variance
- c) Material mix variance
- d) Overhead variance.



- (b) Write a short notes on :

Marks :

The following information is available from records of a factors :

	Budget	Actual
Fixed overhead for June	Rs. 10,000	Rs. 12,000
Production in June (units)	2000	2100

Standard time per unit is 10 hours

Actual hours worked in June 22000

**Compute :**

- Fixed overhead cost variance
- Expenditure variance.

OR

What do you mean by labour efficiency variance ? How it is calculated ?

#### UNIT – IV

- Q. No. 4. (a) What are the essential requisites for installation of a uniform costing system ?

Marks : 9

OR

Give the provisions of Indian Companies Act 1956 with respect to appointment, rights and responsibilities of a cost auditor.

- (b) Write :

Marks : 5

Define “Cost Audit” and state its purposes.

OR

State the objectives of inter-firm comparison.

#### UNIT – V

- Q. No. 5. (a) Write the objectives, advantages and limitations of management audit.

Marks : 9

OR

Explain the types of audits.

- (b) Write short note on :

Marks : 5

Distinguish between management audit and cost audit.

OR

State the limitations of social audit.