



**Third Semester Five Year B.B.A., LL.B. (Hons.) Examination, June 2013**  
**COST AND MANAGEMENT ACCOUNTING**

Duration : 2½ Hours

Max. Marks : 70

**Instructions:** 1. Answer all 5 Questions.

2. **One** essay type and **one** short note question from **each unit** have to be attempted.

Q. No. 1. (a) ABC Co. Ltd. has prepare the budget for the production of 1 lakh units of the only manufactured by it for a costing period as follows.

Marks : 9

	Rs. in lakhs
Raw material	2.52
Direct labour	0.75
Direct expenses	0.10
Works overhead (60% fixed)	2.25
Administrative overhead (80% fixed)	0.40
Selling overhead (50% fixed)	0.20
Prepare budget for production of 50000 and 75000 units.	

OR

What is budgetary control ? State the main objectives of budgetary control.

(b) Write a short note on :

Marks : 5

Explain the concept and important factors of zero base budgeting.

OR

P.T.O.



The following information has been made available from the records of Hindustan Ltd. for the last six months of 2004 in respect of product 'x'

i) The units to be sold in different months are

July (2004)	1100
August	1100
September	1700
October	1900
November	2500
December (2004)	2300
January (2005)	2000

ii) There will be no work in progress at the end of any month.

iii) Finished units equal to half of sales for the next month will be in stock at the end of every month (Including June 2004).

Prepare a production budget for each of the last six months.

Q. No. 2. (a) Distinguish between :

Marks : 9

- a) Standard cost and estimated cost
- b) Basic standard and current standard
- c) Budgetary control and standard costing.

OR

Describe briefly the procedure of establishing standard costs within the divisions of material, labour and overheads.

(b) Write a short note on :

Marks : 5

What are the limitations of standard costing ?

OR

Define and explain standard cost and standard costing.



Q. No. 3. (a) Gemini chemical Ltd. provide the following information from their records.

Marks : 9

For making 10 kgs. of Gemco the standard material requirement is

Material	Quantity in kgs.	Rate per kg. in Rs.
A	8	6.00
B	4	4.00

During April 2002 1000 kgs of Gemco were produced. The actual consumption of material is as under.

Material	Quantity kgs.	Rate per kg. Rs.
A	750	7.00
B	500	5.00

Calculate :

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

OR

Define variance analysis. What are the types of variances ?

(b) Write a short note on :

Marks : 5

Data relating to a job are as follows :

Standard rate of wages per hour	Rs.10
Standard hours	300
Actual rate of wages per hour	Rs. 12
Actual hours	200

You are required to calculate :

- i) Labour cost variance
- ii) Labour rate variance
- iii) Labour efficiency variance.

OR

Write a short notes on "Overhead variances".

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Q. No. 4. (a) Mention important provisions of cost audit (report) rules 1996. Marks : 5

OR

List : i) Purposes and ii) the types of cost audit.

(b) Write a short note on :

Marks : 5

Advantages of uniform costing.

OR

General features of cost accounting records.

Q. No. 5. (a) What are the steps in social audit programme. Marks : 9

OR

Distinguish between management and cost audit.

(b) Explain the term 'social audit'.

Marks : 5

OR

Write the objectives of management audit.

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