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BBABMC 363 /BBMBMC 363

**Credit Based VI Semester B.B.A./B.B.M. Examination, September 2022
(2012 Scheme)**

COST AND MANAGEMENT ACCOUNTING

Time : 3 Hours

Max. Marks : 120

Instruction : Show working notes **wherever** necessary.

SECTION – A
(Two marks each)

Answer **any ten** questions from the following.

(10×2=20)

1. a) What is break even point ?
- b) What is abnormal loss ?
- c) What do you mean by margin of safety ?
- d) What is contribution ?
- e) Give the meaning of work certified.
- f) What is variance ?
- g) What is zero base budgeting ?
- h) What is economic batch quantity ?
- i) What is P/V ratio ?
- j) What is job costing ?
- k) What is retention money ?
- l) What is flexible budget ?

SECTION – B
(Eight marks each)

Answer **any five** questions from the following.

(5×8=40)

2. Explain the principles involved in taking profit of an incomplete contracts.
3. Draw up break even chart and show the following :
 - a) BEP
 - b) Loss region
 - c) Profit region
 - d) Angle of incidence
 - e) Margin of safety

P.T.O.



4. Prepare a Job Cost Sheet for the following.
- Material Rs. 6,050
Wage : Department A : 60 hours at Rs. 30/hour
 Department B : 40 hours at Rs. 20/ hour
 Department C : 20 hours at Rs. 10/ hour
Variable overhead Rs. 2 per hour ; Fixed Rs 30,000 for 10,000 hours ;
Profit 20% on sales.
5. The following data relates to 8000 units of production
Material cost per unit Rs.60
Labour cost per unit Rs. 40
Direct expenses per unit Rs. 30
Factory overhead per unit Rs. 20 (60% variable)
Office overhead per unit Rs.30 (70% fixed)
Prepare budget for 6000 units.
6. The following information is given :
- Standard quantity : 2500 units
Actual quantity : 2600 units
Standard price : Rs.10 per unit
Actual price : Rs.11 per unit
Calculate : a) Material cost variance
 b) Material price variance
 c) Material usage variance
7. A manufacturing company has supplied you the following information in respect of a product :
- Total fixed Cost Rs. 18,000
Total variable cost Rs. 30,000
Total sales Rs.60,000
Find :
- i) Contribution
ii) Break even point
iii) Margin of safety
iv) Profit
v) Volume of sales to earn a profit of Rs. 24,000
8. From the following details prepare a Reconciliation Statement and find out profit or loss as per P& L A/c.
- a) Net profit as per cost account Rs. 3,00,000
b) Works overhead under recovered in cost account Rs. 6,000
c) Administrative overhead recovered in excess in cost account Rs. 3,000
d) Interest on investment Rs. 15,000
e) Income tax Rs. 80,000
f) Commission received Rs. 950
g) Depreciation on stock charged in P&L A/c Rs. 3,000.



SECTION – C
(Twenty marks each)

Answer any three questions.

(3×20=60)

9. A product passes through three processes P,Q and R. The normal wastage of process :
P – 3% , Q – 5% and R – 8%
wastage of process P was sold at Rs. 2/unit, that of Q at Rs. 4/unit and that of R at Rs. 8/unit. 10,000 units were issued to process P at a cost of Rs.5 per unit. The other details are as follows :

	P	Q	R
Sundry materials	1000	1500	500
Labour	5000	6500	6500
Direct expenses	1000	1200	1100
Actual output (units)	9500	9100	8100

Prepare Process Accounts, Abnormal Loss Account and Abnormal Gain Account.

10. A firm of contractors undertook the contract no.666 in 2021. The contract price was Rs. 24,00,000. The following details are available regarding contract :

	Rs.
Materials	7,60,000
Plant installed at cost	2,80,000
Wages paid	9,44,000
Architects fees	48,000
Establishment charges	40,000
Direct expenses	32,000
Wages o/s	16,000
Direct expenses o/s	20,000

of the plant and materials charged to contract. Plant costing Rs.20,000 and material costing Rs. 16,000 were lost by fire. Some part of materials costing Rs. 10,000 were sold for Rs. 12,000. On 31-12-2021 Plant which cost Rs. 12,000 was transferred to contract no. 777 on 31-12-2021, the value of work certified was Rs. 19,20,000 and 80% of the same was received in cash. The cost of work done but not certified was Rs. 12,000. Rate of depreciation on plant at 12% p.a. Prepare Contract Account and show the relevant figures in Balance Sheet.

11. The following figures are available from financial books of Geetha Co.Ltd. for the year ending 31-12-2021.

	Rs.
Direct materials	2,50,000
Direct wages	1,00,000
Factory overheads	3,80,000
Administrative overheads	2,50,000
Selling and distribution overheads	4,80,000
Bad debts written off	20,000
Preliminary expenses written off	10,000
Legal charges	5,000



Dividend received	50,000
Interest on deposit received	10,000
Sales	13,20,000 (1,20,000 units)

Closing stock :

Work-in-Progress	80,000
Finished stock (40,000 units)	1,20,000

The Cost Accounts reveal that :

- The direct material consumption was Rs. 2,80,000.
- Factory overhead was recovered at 20% on prime cost.
- Administrative overhead was recovered at ₹ 3 per unit of production.
- Selling and distribution overhead was recovered at ₹ 4 per unit.

You are required to prepare :

- Profit and Loss A/c
- Cost Sheet
- Reconciliation Statement.

12. Maharaja Transport Company runs the following buses within the city limits of Bangalore. 10 buses of 50 passengers carrying capacity and 15 deluxe buses of 40 passengers carrying capacity. On an average, each bus makes 10 trips of 12 kms. each everyday and 75% of the seats are occupied. The trip performance sheets, show that 5 buses on an average are kept away from the roads for repairs each day.

The following expenses were incurred by the company during April 2022.

Salary –

Works manager	10,200
25 Conductors (each)	4,000
25 drivers (each)	5,000
10 cleaners (each)	2,000
Rent, Insurance, Rates	8,000
Road tax	1,500
Consumable stores	10,000
Replacement of tyres and tubes	7,400
Electricity	800
Repairs	11,000
Depreciation	15,000
Diesel	50,000
Lubricant	15,000

The transport company intends to make a profit of 10% on takings. You are requested to calculate the cost per passenger km and the passenger fare per km.