

BBA-09

June – Examination 2024

B.B.A. (IInd Year) Examination COST AND MANAGEMENT ACCOUNTING Paper : BBA-09

Time : 3 Hours] [Maximum Marks : 70

Note :- The question paper is divided into three Sections A, B and C. Write answers as per the given instructions.

Section-A **7×2=14**

(Very Short Answer Type Questions)

Note :- Answer all questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to **30** words. Each question carries 2 marks.

BBA-09/7 (1) **TT-446** *Turn Over*

1. (i) Explain the concept of cost centre.
- (ii) State *two* merits and *two* demerits of first in first out method.
- (iii) The overhead cost of manufacturing 400 units of an article is ₹ 1,600, but when 600 units of the same product are produced, the overhead cost is ₹ 2,000.

Segregate the fixed and variable part of overhead cost.
- (iv) Define Activity Based Costing.
- (v) Give the pro forma of a cost sheet.
- (vi) Distinguish between Jointproduct and Byproduct.
- (vii) State any *four* characteristics of Management Accounting.

BBA-09/7 (2) **TT-446**

Section-B**4×7=28****(Short Answer Type Questions)**

Note :- Answer any *four* questions. Each answer should not exceed **200** words. Each question carries 7 marks.

2. A firm employs five workers at an hourly rate of ₹ 10, during the week, they worked for four days for a total period of 40 hours each and completed a job for which the standard time was 48 hours for each worker. Calculate the labour cost under the Halsey Plan and Rowan Plan.
3. What is Machine Hour Rate ? How is it computed ?
4. The product of a manufacturing concern passes through two processes A and B. It is ascertained that in process A, normally 5% of the total input

is normal wastage, which realises ₹ 80 per ton. From the following information relating to Process A, prepare Process A account.

Material 500 tons, Cost of material ₹ 125 per ton, Wages ₹ 14,000, Manufacturing overhead ₹ 4,000, Output 415 tons.

5. From the data given below, compute the material usage variance and show that it is the sum of material mix and material revised usage (sub-usage) variance :

| Materials | Standard Mix | Actual Mix |
|------------------|-----------------------------|-----------------------------|
| A | 40 units @ ₹ 10 per unit | 60 units @ ₹ 12 per unit |
| B | 60 units @ ₹ 5 per unit | 60 units @ ₹ 4 per unit |
| Total | 100 | 120 |

6. What do you understand by maximum stock level, minimum stock level and re-order level ?
7. What is unit or output costing ? In what industries is it used ?
8. Discuss the nature and scope of Management Accounting.
9. What do you understand by the term 'overhead' ? Explain its classification.

Section-C **2×14=28**

(Long Answer Type Questions)

Note :- Answer any *two* questions. You have to delimit your each answer maximum up to **500** words.

Each question carries 14 marks.

10. Discuss the various methods of pricing of materials issued for production and explain their advantages and disadvantages (any *two* methods).

11. Explain the methods of charging profit on incomplete contracts with example.
12. Ram Ltd. furnishes the following data relating to the year 2022 :

| | First 6 months | Last 6 months |
|-------------|-----------------------|----------------------|
| | ₹ | ₹ |
| Sales | 5,40,000 | 6,00,000 |
| Total Costs | 4,80,000 | 5,16,000 |

Assuming that there is no change in selling price and variable costs and that the fixed expenses are incurred uniformly in two half periods. Calculate :

- (a) Profit Volume Ratio
- (b) Fixed Expenses
- (c) Break-even Sales
- (d) Margin of safety for the year 2022.

13. Write explanatory notes on the following :

- (a) Economic Order Quantity
- (b) Abnormal effectives
- (c) Labour cost variance
- (d) Piece Rate method of remunerating labour