

- (c) Overtime  
(d) Fixed and Variable Overheads
6. What are different methods of calculating profit on an incomplete contract ? Explain with illustration.
7. The following data are given :
- |                   |               |
|-------------------|---------------|
| Fixed Expenses    | ₹ 1,00,000    |
| Variable Expenses | ₹ 10 per unit |
| Selling Price     | ₹ 15 per unit |
- Find out the following :
- (i) Break-even Point  
(ii) P/V Ratio  
(iii) Sales to earn a profit of ₹ 10,000  
(iv) Margin of safety at a profit of ₹ 50,000
8. What is meant by the term 'Variance Analysis' ? Discuss labour variances giving suitable example.
9. Write short notes on the following :
- (a) By-Products  
(b) Joint Products  
(c) Activity Based Costing  
(d) Production Account

## BBA-09

June – Examination 2022

### B.B.A. (II Year) Examination

#### Cost and Management Accounting

#### Paper : BBA-09

*Time : 1½ Hours ]*

*[ Maximum Marks : 70*

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

#### Section-A

4×3½=14

#### (Very Short Answer Type Questions)

*Note :-* Answer any *four* 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 3½ marks.

1. (i) Explain the meaning of Cost Centre.
- (ii) Explain different elements of Cost and also explain its Inter-relationship.
- (iii) Prepare a stores Ledger Account showing the issue of material on First In First Out Method :

Date	Receipts		Issues	
	Units	Rate	Date	Units
3.1.2018	2,000	@ ₹ 1.00	4.1.2018	500
5.1.2018	3,000	@ ₹ 1.40	7.1.2018	2,000
10.1.2018	2,000	@ ₹ 1.50	15.1.2018	3,000
20.1.2018	3,000	@ ₹ 1.80	25.1.2018	2,500

- (iv) What do you mean by 'Machine Hour Rate' ?  
Give its merits and demerits.
- (v) What is a Cost Sheet ? Prepare a cost sheet of a cloth manufacturer in proper form with imaginary figures.
- (vi) Discuss the nature and scope of Management Accounting.
- (vii) Explain 'Normal Wastage', 'Abnormal Wastage' and 'Abnormal Effectives' ? How should these be dealt in process cost accounts ?
- (viii) Give formula of Material Price Variance.

**Section-B** **4×14=56**

**(Short Answer Type Questions)**

**Note** :- Answer any *four* questions. Answer should not exceed **200** words. Each question carries 14 marks.

2. What is meant by Cost Accounting ? Explain the objects and advantages of cost accounting.

3. Calculate the following from the information given below :

- (a) Re-order Level  
(b) Maximum Stock Level  
(c) Minimum Stock Level  
(d) Economic Order Quantity

**Data given :**

- (i) Ordering cost per order ₹ 40  
(ii) Consumption during the year 10,000 units  
(iii) Purchase price ₹ 100 per unit  
(iv) Storage cost ₹ 5 per unit per year  
(v) Re-order period (level time) : Average 20 days, Maximum 30 days and Minimum 12 days.  
(vi) Consumption : Average 30 units per day, Maximum 40 units per day and Minimum 20 units per day.
4. Explain the meaning, advantages and disadvantages of the following methods of remunerating labour :
- (i) Time Rate  
(ii) Piece Rate
5. Write explanatory notes on the following :
- (a) Absorption of overheads—Over and under-absorption  
(b) Prime Cost Basis