Third Semester 5 Year B.B.A. LL.B. (Even Sem.) Examination, August/September 2024
COST AND MANAGEMENT ACCOUNTING

Duration : 3 Hours — Max. Marks : 80

Instructions :
1. **Answer all five Units.**
2. **One essay type question and short note/problems is compulsory from each Unit.**
3. **Figures to the right indicate marks.**
4. **Answer should be written in English completely.**
5. **Use simple calculator only.**

UNIT – I

Q. No. 1. (a) Bajaj Company wishes to arrange overdraft facilities with its bankers during the period from April to June 2023. When it will be manufacturing mostly for stock. Prepare a cash budget for the above period from the following data, indicating the extent of the bank. Overdraft facility that the company will require at the end of each month. Marks : 10

(a)

2023	Sales	Purchases	Wages
February	90,000	62,400	6,000
March	96,000	72,000	7,000
April	54,000	1,21,500	5,500
May	87,000	1,23,000	5,000
June	63,000	1,34,000	7,500

(b) 50% of the credit sales are realised in the month following the sales and remaining 50% in the second month following.

(c) Creditors are paid in the month following the month of purchase.

(d) Lag in the payment of wages : 1 month.

(e) Cash at bank on 1/4/2023 is estimated at Rs. 12,500.

OR

Q. No. 1. (a) Explain budget and budgetary control. Discuss various advantages and essentials for the success of budgetary control. Marks : 10

Q. No. 1. (b) The expenses for the budgeted production of 10000 units in a factory are furnished below. Marks : 6

	Per unit (Rs.)
Materials	70
Labour	25
Variable overheads	20
Fixed overheads (Rs. 1,00,000)	10
Variable expenses (direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (Rs. 50,000)	5
Total	**155**

Prepare a flexible budget for the production of (a) 8000 units and (b) 12000 units.

OR

Q. No. 1. (b) What is zero base budgeting and explain the advantages of zero based approach. Marks : 6

UNIT – II

Q. No. 2. (a) Define standard costing. Explain briefly the significance of standard costing as a technique of cost control. Marks : 10

OR

Q. No. 2. (a) Distinguish between standard costing and budgetary control. Marks : 10

Q. No. 2. (b) Explain the objectives of standard costing. Marks : 6

OR

Q. No. 2. (b) Explain the advantages of standard costing. Marks : 6

UNIT – III

Q. No. 3. (a) From the following data, calculate : Marks : 10

(a) Material cost variance

(b) Material price variance

(c) Material usage variance

(d) Material mix variance.

Name of material	Standard Kg.	Standard Rate (Rs.)	Actual Kg.	Actual Rate (Rs.)
X	8000	1.05	7500	1.20
Y	3000	2.15	3300	2.30
Z	2000	3.30	2400	3.50

OR

Q. No. 3. (a) Explain the following terms : Marks : 10

(1) Material price variance

(2) Labour mix variance

(3) Overhead variance.

Q. No. 3. (b) The standard time and rate for unit component are given below. Marks : 6

Standard hours – 20 hours

Standard rate Rs. 5 per hour

Actual Production – 1000 units

Actual hours – 20500 hours

Actual rate per hour – Rs. 4.80

Calculate :

(a) Labour cost variance

(b) Labour rate variance

(c) Labour efficiency variance.

OR

Q. No. 3. (b) Write a note on labour cost variance. Marks : 6

UNIT – IV

Q. No. 4. (a) Explain in detail on duties and responsibilities of a cost auditor. Marks : 10

OR

Q. No. 4. (a) What is cost audit ? Explain the different types of cost audit. Marks : 10

Q. No. 4. (b) Explain the differences between cost audit and financial audit. Marks : 6

OR

Q. No. 4. (b) What is uniform costing ? Explain the advantages of uniform costing. Marks : 6

UNIT – V

Q. No. 5. (a) Explain the process of social audit. Marks : 10

OR

Q. No. 5. (a) Explain the scope and uses of management audit. Marks : 10

Q. No. 5. (b) Write in detail about various components of social audit. Marks : 6

OR

Q. No. 5. (b) Elaborate the importance of management audit. Marks : 6