0334/1613

III Semester 5 Year B.B.A., LL.B. Examination, July/August 2026
COST AND MANAGEMENT ACCOUNTING

Duration : 3 Hours | Max. Marks : 100

Instructions :
1. **Answer Q. No. 9 and any 5 of the remaining questions.**
2. **Q. No. 9 carries 20 marks and the remaining questions carry 16 marks each.**
3. **Answer should be written either in English or Kannada completely.**

Marks : 4×16=64

Q. No. 1. Define Budgetary control. Discuss the advantages and limitations of Budgetary control. Marks : 16

Q. No. 2. What is standard costing ? State its advantages and explain the preliminaries in establishing a system of standard costing. Marks : 16

Q. No. 3. Define variance analysis. Discuss the types of variances. Marks : 16

Q. No. 4. What is Cost Audit ? Discuss the appointment, functions, rights, duties and responsibilities of a cost Auditor. Marks : 16

Q. No. 5. Define uniform costing. Explain the objectives and requisites for installation of a uniform costing system. Marks : 16

Q. No. 6. What is Management Audit ? Discuss the objectives, advantages and limitations of Management Audit. Marks : 16

Q. No. 7. What is social Audit ? Discuss the advantages and disadvantages of social audit. Marks : 16

Q. No. 8. Write short note on **any two** of the following : Marks : 2×8=16

(a) Zero Base Budgeting (ZBB)

(b) Differences between standard costing and Budgetary control.

(c) Inter-firm comparison

P.T.O.

Q. No. 9. Solve **any two** of the following problems : Marks : 2×10=20

Q. No. 9. (a) A Company is expecting to have ₹ 20,000 cash on 1st April 2025 and it requires you to prepare a cash budget for the three months April to June 2025.

The following information is supplied to you.

Month	Sales (Rs.)	Materials (Rs.)	Wages (Rs.)	Overheads (Rs.)
Feb	60,000	40,000	11,000	6,200
March	56,000	48,000	11,600	6,600
April	64,000	50,000	12,000	6,800
May	80,000	56,000	12,400	7,200
June	84,000	62,000	13,000	8,600

Additional Information :

a) Period of credit allowed by suppliers is two months.

b) 25% of sale is for cash and the period of credit allowed to customers for credit sales is one month

c) Delay in payment of wages and expenses is one month

d) Income tax of ₹ 25,000 is to be paid in June 2025

Q. No. 9. (b) Prepare a flexible budget for production at 80% and 100% activity on the basis of the following information

Production at 50% capacity 5000 units

Raw materials	₹ 80 per unit
Direct Labour	₹ 50 per unit
Direct Expenses	₹ 15 per unit
Factory Expenses	₹ 50,000 (50% fixed)
Administration expenses	₹ 60,000 (60% variable)

Q. No. 9. (c) 80 Kgs of Material A, at a standard price of ₹ 2 per kg and 40 kgs of material B, at a standard price of ₹ 5 per kg were to be used to manufacture 100 kgs of a chemical.

During a month, 70 kgs of Material A priced at ₹ 2.10 per kg and 50 kgs of Material B priced at ₹ 4.50 per kg were actually used and the output of the chemical was 102 kgs

Calculate :

(a) Material Cost variance

(b) Material Price variance

(c) Material usage variance
