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**School of Finance and Commerce**

**Bachelor of Business Administration in Financial Investment Analysis  
Semester End Examination - Jun 2024**

**Duration : 180 Minutes**

**Max Marks : 100**

**Sem II - H1UA201T - Cost and Management Accounting***General Instructions*

*Answer to the specific question asked*

*Draw neat, labelled diagrams wherever necessary*

*Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Define standard costing. K1 (2)
- 2) Discuss the meaning of cost of production and how is it calculated? K2 (4)
- 3) Briefly describe any five objectives of budgetary control. K2 (6)
- 4) Apply your knowledge to explain the decision-making process of choosing between making or buying a product using the marginal costing technique. K3 (9)
- 5) Investigate various types of budgets and their specific applications in organizational planning and control. K3 (9)

6) prepare a cost sheet from the following information of XYZ Ltd. for the year ending 31-3-2023.

K5 (10)

Particulars	Amount(Rs.)
Sales	3,50,000
Purchase of raw material	1,55,000
Freight paid on raw material purchase	4,000
Productive wages paid	75,000
Unproductive wages	22,000
Productive wages outstanding	7,000
Royalty on production(direct expense)	18,000
Fuel and power	4,500
Factory rent	6,300
Insurance of machinery	1,700
Loading and unloading charges on purchase of raw material	3,500
Loss on sale of old machinery	5,400
Depreciation of machinery	8,300
Lighting – Factory	700
Factory cleaning	400
Advertising	3,700
Carriage outwards	1,300
Income tax	6,040
Factory telephone	890
Plant repairs and maintenance	2,500
Office computer depreciation	12,000
Office stationery	2,100
Travelling expenses:-	
Salesman	3,500
Office staff	1,800
Donations	1,350
Salaries of sales staff	7,000
Marketing research expenses	1,400
Bank charges and interest	340
Expenses on office cars	3,500
Office managers salary	5,400
Bad debts	700

7) Differentiate between management accounting and Financial accounting.

K4 (12)

8) TATA Co. Ltd. is to start production on 1st January 2011. The prime cost of a unit is expected to be Rs. 40 (Rs. 16 per materials and Rs. 24 for labour). In addition, variable expenses per unit are expected to be Rs. 8 and fixed expenses per month Rs. 30,000. Payment for materials is to be made in the month following the purchase. One-third of sales will be for cash and the rest on credit for settlement in the following month. Expenses are payable in the month in which they are incurred. The selling price is fixed at Rs. 80 per unit. The number of units to be produced and sold is expected to be: January 900; February 1200; March 1800; April 2000; May 2,100 June 2400 .Construct a Cash Budget indicating cash requirements from month to month.

K5 (15)

9) Prepare cash budget of a company for April, May and June 2017 in a columnar form using the following information:

K5 (15)

Months 2017	Sales Rs.	Purchases Rs.	Wages Rs.	Expenses Rs.
January (Actual)	80,000	45,000	20,000	5,000
February (Actual)	80,000	40,000	18,000	6,000
March (Actual)	75,000	42,000	22,000	6,000
April (Budgeted)	90,000	50,000	24,000	7,000
May (Budgeted)	85,000	45,000	20,000	6,000
June (Budgeted)	80,000	35,000	18,000	5,000

You are further informed that:

- 10% of the purchases and 20% of the sales are for cash.
2. The average collection period of the company is 0.5 month and the credit purchases are paid off regularly after one month.
3. Wages and expenses are paid half monthly and the rent of Rs. 500 included in expenses is paid monthly.

Cash and bank balance as on April 1, was Rs. 15,000 and the company wants to keep it on the end of every month below this figure, the excess cash being put in fixed deposits.

10) Assess the role management accountant play in decision making process? Discuss the tools and techniques of management accounting which is based on financial accounting data for this purpose.

K6 (18)