

S.D.E.

B.B.A. (2006 COURSE) SEM- III : WINTER - 2017
SUBJECT : COST & MANAGEMENT ACCOUNTING

Day : **Saturday**
Date : **23/12/2017**

W-2017-4107

Time : **10.00 AM TO 1.00 PM**
Max. Marks : 80

N.B.:

- 1) Attempt **ANY FIVE** questions from Section – I and attempt **ANY TWO** questions from Section – II.
- 2) Answer to both the **SECTION** should be written in **SEPARATE** answer books.
- 3) Figures to the right indicate **FULL** marks.

SECTION – I

- Q.1** Explain nature and scope of Management Accounting. [10]
- Q.2** Explain the concepts advantages and limitations of Budgetary Control. [10]
- Q.3** Explain the following: [10]
- a) Job Costing
 - b) Elements of Cost
- Q.4** What do you mean by Budget? Explain various types of Budget. [10]
- Q.5** Discuss how Marginal Costing helps in decision making. [10]
- Q.6** Elaborate upon the concept of Standard Costing. Discuss advantages and limitations of Standard Costing. [10]
- Q.7** Write short notes on **ANY TWO** of the following: [10]
- a) Structure of cost sheet
 - b) Process Costing
 - c) Need for Costing

SECTION – II

- Q.8** Using the following information calculate: [15]
- a) Labour Cost Variance
 - b) Labour Rate Variance
 - c) Labour Efficiency Variance

	Dept. X	Dept. Y
Gross wage direct	Rs. 28,080	Rs. 19,370
Standard hours for production	8,640	6,015
Standard rate per hour	Rs. 3	Rs.3.40
Actual hours worked	8,000	6,345

P.T.O.

- Q.9** Neha Ltd., a newly started company wishes to prepare cash budget from January. Prepare a cash budget for the first six months from the following estimated revenue and expenses: [15]

Month	Total Sales Rs.	Materials Rs.	Wages Rs.	Overheads Production Rs.	Selling & Distribution Rs.
January	20,000	20,000	4,000	3,200	800
February	22,000	14,000	4,400	3,300	900
March	28,000	14,000	4,600	3,400	900
April	36,000	22,000	4,600	3,500	1,000
May	30,000	20,000	4,000	3,200	900
June	40,000	25,000	5,000	3,600	1,200

Cash balance on 1st January was Rs. 10,000. A new machinery is to be installed at Rs. 20,000 on credit, to be repaid by two equal installments in March and April.

Sales commissions @ 5% on total sales is to be paid within a month following actual sales.

Period of credit allowed by suppliers	2 months
Period of credit allowed to customers	1 month
Delay in payment of overheads	1 month
Delay in payment of wages	1/2 month

Assume cash sales to be 50% of total sales.

- Q.10** Delta Ltd., has prepared the following budget estimates for the year 2014-15 [15]

	Rs.
Sales units	15,000
Fixed expenses	34,000
Sales value	1,50,000
Variable cost	Rs. 6 per unit

You are required to:

- Find out P/V ratio, Break Even Sales and Margin of safety.
- Calculate the revised P/V ratio, Break Even Sales and Margin of safety if there will be decrease of 10% in Selling Price.

* * * *