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(201217)

Roll No.

BBA-V Sem.

18064

B. B. A. Examination, Dec. 2017

Cost and Management Accounting

(BBA-503)

(New)

Time : Three Hours]

[Maximum Marks : 75

Note: Attempt questions from all Sections as per instructions.

Section-A

(Very Short Answer Questions)

Attempt all the *five* questions. Each question carries 3 marks. Very short answer is required not exceeding 75 words. $3 \times 5 = 15$

1. What do you mean by variable cost?
2. Explain 'Halsey Premium Plan' in brief.
3. What do you mean by over-absorption of overheads?
4. What is absorption costing?

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5. What is margin of safety?

Section-B

(Short Answer Questions)

Attempt any *two* questions out of the following three questions. Each question carries $7\frac{1}{2}$ marks. Short answer is required not exceeding 200 words $7\frac{1}{2} \times 2 = 15$

6. Distinguish between 'direct labour' and 'indirect labour' with suitable examples.
7. Write down the scope of 'Management Accounting'.
8. For the year 2014, the position of X Ltd. was as follows:

	₹
Sales	60,000
Variable expenses	48,000
Gross profit	<u>12,000</u>
Fixed expenses	<u>8,000</u>
Net profit	<u>4,000</u>

Find out P/V ratio and B.E.P.

Section-C

(Detailed Answer Questions)

Attempt any *three* questions out of the following five questions. Each question carries 15 marks. Answer is required in detail. $15 \times 3 = 45$

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9. In a factory the standard output is 48 units per week for a working period of 48 hours. The hourly rate is ₹ 2. Three workers A, B & C produce 42 units, 48 units and 72 units respectively in a particular week. Find out the earnings of each worker under the Halsey system of wage payment.

10. The following figures have been taken from the costing department of a manufacture who produces bicycles of a uniform size and quality for the year ending Dec. 31, 2014 :

	₹
Stock of finished goods as on 01.01.2014	3,000
Stock of Raw materials as on 01.01.2014	20,000
Stock of finished goods as on 31.12.2014	1,000
Stock of Raw materials as on 31.12.2014	2,000
Materials purchased	36,000
Direct wages	12,000
Factory overheads	22,000
Sales of finished goods	1,08,000

The number of bicycles produced during the year was 500. Prepare a statement showing the total cost and price to be quoted for 300 bicycles which are of uniform size and quality to realize the same percentage of profit as was realized during the year 2014.

(4)

11. Differentiate between 'Management Accounting' and 'Cost Accounting'.

12. Mohit Ltd. manufacture an item 'Gemini'. The figures given below relate to six months ending June 30, 2014 and Dec. 31, 2014 :

	Six months to June 30, 2014	Six months to Dec. 31, 2014
Units produced	30,000	8,000
Units sold	15,000	23,000
Variable cost per unit	₹ 2	₹ 2
Fixed cost	₹ 50,000	₹ 50,000

Normal production capacity per annum :

Production	1,00,000 units
Variable costs	₹ 2 per unit
Fixed costs	₹ 1,00,000 (₹ 1 p.u.)

Selling price is ₹ 5 per unit. There was no stock at the beginning of the year. You are required to calculate profit for each six months according to (a) marginal costing and (b) absorption costing.

13. Describe the uses of 'Marginal Costing' in managerial decisions.