

**D 140755**

(Pages : 4)

Name.....

Reg. No.....

**FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
APRIL 2026**

B.B.A.

BBA 4B 06—COST AND MANAGEMENT ACCOUNTING

(2019 Syllabus)

Time : Two Hours and a Half

Maximum : 80 Marks

**Part A***Answer all questions.*

1. Define cost accounting.
2. Define pocket cost.
3. What is meant by budget ?
4. Mention two advantages of budgetary control.
5. Define Contribution.
6. Difference between management accounting and financial accounting.
7. What is meant by profit planning ?
8. What is variable cost ?
9. What is meant by break even chart ?
10. Define FIFO.
11. What is meant by job order costing ?
12. What are the objectives of cost accounting ?
13. Define cost sheet.
14. What is meant by absorption of overheads ?
15. Define imputed cost.

(15 × 2 = 30, Maximum Ceiling 25 marks)

**Turn over**

**Part B**

*Answer all questions.*

16. Briefly explain the methods for calculating labour cost
17. What are the features of process costing ?
18. Explain the elements of cost with examples.
19. Briefly explain the methods for pricing of issue of materials.
20. Define apportionment of Overheads. Briefly explain the different stages of apportionment.
21. A company produces a single product which sells for Rs. 20 per unit.

Variable cost is Rs. 15 per unit and Fixed overhead for the year is Rs. 6,30,000.

Required :

- (a) Calculate sales value needed to earn a profit of 10 % on sales.
  - (b) Calculate sales price per unit to bring BEP down to 1,20,000 units.
  - (c) Calculate margin of safety sales if profit is Rs. 60,000.
22. Calculate the ordering level of material A from the following particulars :
- Minimum Limit 1,000 units.
  - Maximum Limit 5,000 units.
  - Daily requirement of material 200 units.
  - Time required for fresh delivery 10 days.
23. Calculate the earnings of workers A and B under the Straight Piece-rate System and Taylor's Differential Piece-rate System from the following particulars.
- Normal rate per hour = Rs. 1.80
  - Standard time per unit = 20 seconds
- Differentials to be applied :
- 80 % of piece rate below standard
  - 120 % of piece rate at or above standard.
- Worker A produces 1,300 units per day, and worker B produces 1,500 units per day

(8 × 5 = 40, Maximum Ceiling 35 marks)

**Part C***Answer any two questions.*

24. Define cost. Explain different types of costs with examples.
25. ABC Limited provides the following trading results :

Year	Sale	Profit
2022-23	Rs. 25,00,000	Rs. 20,00,000
2023-24	10 % of Sale	8 % of Sale

You are required to calculate :

- Fixed Cost ;
  - Break-Even Point ;
  - Amount of profit, if the sale is Rs. 30,00,000 ;
  - Sale, when the desired profit is Rs. 4,75,000 ; and
  - Margin of Safety at a profit of Rs. 2,70,000.
26. The following information were received from the books of Poonam and Co. for the quarter ending on 31<sup>st</sup> March 2025 :

Stock of material on 31-03-2025	70,000	Expenses of stationery	11,350
Stock of material on 01-01-2025	1,00,000	Traveller's salaries and commission	9,000
Purchase of material	8,03,290	Depreciation on office furniture	700
Travelling expense	5,100	Directors fees	8,000
Carriage inwards	4,500	Fuel, gas	17,900
Carriage outwards	9,150	Manager's salary	18,000
Drawing office salaries	7,000	Income tax paid	12,000
Depreciation on plant	8,000	Donations	4,600
Factory rent, rates and insurance	11,200	Office expenses	5,000
Office rent	29,100	Air conditioning charges	4,000
Show room expenses	9,000	Labour welfare expenses	7,200
Productive wages paid	2,27,000	Outstanding productive wages	33,000
Repairs of machine, plant	10,000	Sales	13,70,000

**Turn over**

Prepare cost sheet assuming manager devotes 2/3 of his time to factory. Calculate Net profit and its percentage on total cost, Percentages of work overheads on productive wages and Percentage of office overheads on work cost.

27. XYZ Ltd. wishes to arrange overdraft facilities with its bankers from the period August to October 2023 when it will be manufacturing mostly for stock. Prepare a cash budget for the above period from the following data given below :

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Mfg. exp.(Rs.)	Office exp.(Rs)	Selling exp.(Rs.)
June	1,80,000	1,24,800	12,000	3,000	2,000	2,000
July	1,92,000	1,44,000	14,000	4,000	1,000	4,000
August	1,08,000	2,43,000	11,000	3,000	1,500	2,000
September	1,74,000	2,46,000	12,000	4,500	2,000	5,000
October	1,26,000	2,68,000	15,000	5,000	2,500	4,000
November	1,40,000	2,80,000	17,000	5,500	3,000	4,500
December	1,60,000	3,00,000	18,000	6,000	3,000	5,000

Additional Information :

- Cash on hand 1-08-2023 is Rs. 25,000.
- 50 % of credit sales are realized in the month following the sale and the remaining 50 % in the second month following. Creditors are paid in the month following the month of purchase.
- Lag in payment of manufacturing expenses half month.
- Lag in payment of other expenses one month.

(2 × 10 = 20 marks)

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BBA 4B 06—COST AND MANAGEMENT ACCOUNTING

(2019 Syllabus)

(Multiple Choice Questions for SDE Candidates)

**Time : 15 Minutes****Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

## BBA 4B 06—COST AND MANAGEMENT ACCOUNTING

(Multiple Choice Questions for SDE Candidates)

1. \_\_\_\_\_ provides information for income determination.
  - (A) Financial accounting.
  - (B) Cost accounting
  - (C) Management accounting.
  - (D) None of these.
2. \_\_\_\_\_ is the oldest branch of accounting.
  - (A) Financial accounting.
  - (B) Cost accounting.
  - (C) Management accounting.
  - (D) None of these.
3. \_\_\_\_\_ costing is a type or technique of costing.
  - (A) Absorption.
  - (B) Batch.
  - (C) Multiple.
  - (D) Job.
4. Costing and cost accounting are \_\_\_\_\_.
  - (A) Not the same.
  - (B) One and the same.
  - (C) Not related at all.
  - (D) None of these.
5. Cost of production is equal to \_\_\_\_\_.
  - (A) Works cost plus Administration Overheads.
  - (B) Prime cost plus Works cost.
  - (C) Prime cost plus works overhead.
  - (D) Works overhead plus administration overheads.
6. Cost centre and cost unit are \_\_\_\_\_.
  - (A) Not the same.
  - (B) The same.
  - (C) Not related.
  - (D) None of these.

7. An opportunity cost does not involve \_\_\_\_\_.
- (A) Cash outlays. (B) Direct cost.  
(C) Indirect cost. (D) None of the above.
8. Added value is the change in \_\_\_\_\_.
- (A) Market value. (B) Cost.  
(C) Income. (D) None of the above.
9. Inflated price method of valuing material issues is suitable when \_\_\_\_\_.
- (A) Materials are subject to natural wastage.  
(B) Prices rise.  
(C) Prices fall.  
(D) None of these.
10. A bill of material serves the purpose of \_\_\_\_\_.
- (A) Material requisition. (B) Stores ledger.  
(C) Material issue analysis sheet. (D) None of these.
11. The quantity of material to be ordered at one time is known as \_\_\_\_\_.
- (A) Ordering quantity. (B) Commercial order quantity.  
(C) Economic order quantity. (D) None of these.
12. \_\_\_\_\_ obviates the necessity for the physical checking of all items of stores at the end of the year and thereby avoids dislocation of production.
- (A) ABC Analysis. (B) JIT Inventory System.  
(C) VED Analysis. (D) Perpetual Inventory System.
13. Material losses due to abnormal reasons should be transferred to \_\_\_\_\_.
- (A) Profit and Loss Account. (B) Costing Profit and Loss Account.  
(C) Trading Account. (D) None of these.

Turn over

14. Which among the following is not a management accounting technique.
- (A) Standard Costing. (B) Project appraisal.  
(C) Marginal costing. (D) None.
15. Under Merrick's multiple piece rate system, 120 % of the ordinary piece rate is given to workers whose level of performance is between \_\_\_\_\_ of the standard output.
- (A) 83 % and 100 %. (B) 100 % and 120 %.  
(C) 0 % and 83 %.. (D) None of these.
16. Basis of apportionment of stores service expenses is \_\_\_\_\_.
- (A) Value of materials consumed. (B) Units of material consumed.  
(C) Products produced. (D) None of these.
17. Such expenses which are included (even though they are not incurred) for taking managerial decisions are called \_\_\_\_\_.
- (A) Notional expenses. (B) Actual expenses.  
(C) Imputed. (D) None of these.
18. Primary packing is an item of \_\_\_\_\_.
- (A) Selling overheads. (B) Prime cost.  
(C) Distribution overheads. (D) Factory overheads.
19. When the completion stage of a contract is less than  $\frac{1}{4}$ , the total expenditure on the contract is transferred to \_\_\_\_\_ account.
- (A) Work-in-Progress. (B) Profit and Loss Account.  
(C) Miscellaneous account. (D) None of these.
20. The sum of value of work certified and uncertified appearing in the Contract Account is called \_\_\_\_\_.
- (A) Work in Progress. (B) Work in Process.  
(C) Work Completed. (D) Work done.