

Vidya Vikas Mandal's**Shree Damodar College of Commerce & Economics, Margao-Goa****SY BBA(FS), Semester-IV, (Repeat) Semester End Assessment November 2022****BFS GEC 8: Cost and Management Accounting****Duration: 02 hours****Maximum Marks: 60****Instructions:**

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Q.1 is compulsory, however internal choice is available
- 4) Answer any Four from Q.2 to Q.6.

Q. 1. Write short note on any five of the following.**(5x4=20 Marks)**

- a) Process Costing.
- b) Limitations of Cost Accounting.
- c) Zero Based Budgeting.
- d) Break Even Analysis.
- e) Element wise classification of cost.
- f) Contract Costing.

Q.2. A product is completed in two consecutive processes. During a particular month the input to Process I of the basic raw material was 5,000 units at Rs. 2 per unit. Other information for the month was as follows:

(10 Marks)

Particulars	Processes	
	I	II
Output (Units)	4700	4300
Normal Loss as % of output	5%	10%
Scrap value per unit (Rs.)	1	5
Direct Wages (Rs.)	3,000	5,000
Direct Expenses (Rs.)	9,750	9,910
Overhead Expenses (Rs.)	6,000	10,000

There were no opening or closing work in-progress stocks. Prepare process accounts with details of abnormal loss and gain, where applicable.

- Q.3.** Moderna Company wishes to approach the bankers for temporary overdraft facility for the period from October 2019 to December 2019. During the period of this period of these three months, the firm will be manufacturing mostly for stock. You are required to prepare a cash budget for the above period from the following information. **(10 Marks)**

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)
July	3,48,000	2,44,000	25,000
August	3,60,000	2,49,600	24,000
September	3,84,000	2,88,000	28,000
October	2,16,000	4,86,000	22,000
November	3,48,000	4,92,000	20,000
December	2,52,000	5,36,000	30,000

Additional Information:

- (a) 50% of credit sales are realized in the month following the sales and remaining 50% in the second month following the sales.
- (b) Creditors are paid in the month following the month of purchase and wages are paid in the month of sale.
- (c) Estimated cash as on 1-10-2019 is Rs.50,000.
- Q.4.** Both cost accounting and financial accounting help the management to formulate and control organization policies. There exists several differences between Cost Accounting and Financial Accounting. Elaborate. **(10 Marks)**
- Q.5.** Budget classification is one of the fundamental building blocks of a sound budget management system, as it determines the manner in which the budget is recorded, presented and reported, and as such has a direct impact on the transparency and coherence of the budget. In this context, explain the different types of functional budgets prepared by an organisation. **(10 Marks)**

Q.6. From the books of accounts of M/s Aryan Enterprises, the following details have been extracted for the year ending 31st March 2022: **(10 Marks)**

Particulars	Amount (Rs.)
Stock of raw materials - Opening	1,88,000
- Closing	2,00,000
Materials purchased during the year	8,32,000
Direct wages paid	2,38,400
Indirect wages paid	16,000
Salaries to Administrative Staff	40,000
Carriage - Inward	32,000
- Outward	20,000
Bad Debts Written off	18,800
Repairs to Plant and Machinery	42,400
Rent. Rates and Taxes - Factory	12,000
- Office	6,400
Travelling Expenses	12,400
Salesman's Salaries and Commission	33,600
Depreciation written off – Plant and Machinery	28,400
Directors Fees	24,000
Electricity Charges (Factory)	48,000
Fuel (for boiler)	64,000
General Charges	24,800
Manager's Salary	48,000

The Manager's time is shared between the factory and the office in the ratio of 20:80.

From the above details, you are required to prepare a cost sheet.
