

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**SY BBA(FS), Semester IV (REGULAR/REPEAT) Semester End Assessment, April 2023**  
**BFS GEC 8: Cost and Management Accounting**

Max. Marks: 60

Duration: 2 hours

**Instructions:**

1. Start each question on a fresh page.
2. Q.1. is compulsory. Answer ANY FOUR questions from Q.2 to Q.7
3. The figures to the right indicate maximum marks.

**Q. 1. Write short notes on ANY FIVE from the following: (05x04=20 Marks)**

- a. Drawbacks of cost accounting
- b. Inter-process profits in process accounting
- c. Zero Based Budgeting
- d. Sales Budget
- e. Cost accounting v/s management accounting
- f. Normal and abnormal loss in process costing

**Q.2. The following data relates to the manufacture of a standard product during the month of March, 2022: (10 Marks)**

Particulars	Amount (Rs.)
Raw materials consumed	80,000
Direct wages	48,000
Machine-hours worked	8,000
Machine-hour rate	4
Office overhead	10% of Works Cost
Selling overheads	1.50 per unit
Units produced	4,000
Closing Stock(400 units) of Finished Goods.	17,600
Units sold	3,600 @ Rs. 50 each

You are required to prepare a cost sheet showing (i) Prime cost (ii) Works cost (iii) Cost of Production (iv) Cost of Sales (v) Net profit (vi) Sales based on the above data.

**Q.3. Mr Basu has undertaken several contract works and has asked you to prepare Contract Account, Contractee's Account and a Balance Sheet (Extract) for Contract No. 52 from the records for the year ending 31-12-2022.**

Particulars	Amount (Rs.)
Direct Purchase of Material	1,80,000
Materials issued from stores	50,000
Wages	2,00,000
Wages accrued on 31-12-2022	45,000
Direct Expenses	25,000
Machinery Purchased	2,60,000
Material at site	16,000
Establishment Charges	54,000
Depreciation on machinery	5,000

The contract price was Rs. 12,00,000. Work certified was Rs. 8,00,000 and Cash received from contractee was Rs. 7,00,000. Work not yet certified Rs. 60,000 and engineer's fee was Rs. 5,000. (10 Marks)

Q. 4. Eklavya Pvt. Ltd has asked you to prepare a cash budget for the months of May, June, and July 2022. The beginning cash balance for May is Rs 35,000. It has the following payments to make: (10 Marks)

Month	Sales	Wages	Purchases	Expenses
Feb	70,000	25,000	50,000	3,000
March	65,000	19,000	60,000	4,000
April	50,000	20,000	40,000	3,000
May	70,000	18,000	45,000	3,500
June	80,000	20,000	55,000	3,500
July	90,000	22,000	60,000	4,000
Aug	65,000	21,000	60,000	3,000

**Additional information:**

- The company's policy is to collect 80% of sales in the month following sale and 20% in the second following month

- ii. Rent payable is Rs. 6,000 per month
- iii. Lag in payment of expenses is 1 month
- iv. Tax of Rs. 5,000 payable in the month of July

**Q.5.** A product is completed in three consecutive processes. 3,000 units were produced during the month ended December 2022 . Other information for the month was as follows:

	Process 1	Process 2	Process 3
Direct Material	10,000	12,000	18,000
Direct wages	4,500	5,000	5,500

Overheads Rs. 10,000 in total, chargeable as percentage of direct wages. There was no opening or closing work-in-progress stocks. Prepare process account. (10 Marks)

**Q.6.** The expenses for the production of 10,000 units in a textbook manufacturing company is as follows: (10 Marks)

Particulars	Per unit price (Rs.)
Materials	80
Labour	30
Variable overheads	20
Fixed overheads (Rs. 80,000)	8
Administrative expenses (10% variable)	12
Selling and Distribution expenses (30% fixed)	20
<b>Total cost per unit</b>	<b>170</b>

Prepare a flexible budget for the production of 12,000 units.

**Q. 7.** Standard costing is the practice of estimating expenses in the production process since manufacturers cannot predict actual costs in advance and thus it provides a lot of benefits to the businesses. Elaborate. (10 Marks)

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