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

Duration: 2 hours	**Max. Marks: 60**

Instructions:
1. *Start each question on a fresh page.*
2. *Q.1. is compulsory.*
3. *The figures to the right indicate maximum marks.*

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

    a. Essentials of a good cost accounting system.

    b. Features of Process Costing.

    c. Abnormal Gain in Process Costing.

    d. Master Budget.

    e. Break-even Analysis.

    f. Throughput Accounting.

Q. 2. Answer ANY ONE from the following: (01x10=10 Marks)

    A. From the following information prepare a statement showing: (i) Prime cost (ii) Works cost (iii) Cost of Production (iv) Cost of Sales (v) Net profit of X Ltd. which produced and sold 1000 units in June 2019. All amounts below are in Indian Rupees.

    Opening Stock: Raw Materials: 24000 and Finished Goods: 16000

    Closing Stock: Raw Materials: 20000 and Finished Goods: 15000

    Purchase of Raw Materials: 80000

    Sales: 200000

    Direct Wages: 35000

    Factory Wages: 2000

    Carriage Inward: 2000

    Carriage Outward: 1000

    Factory Expenses: 4000

    Office Salaries: 15000

    Office Expenses: 12000

    Factory Rent and Rates: 2500

    Depreciation – Machinery: 2500

    Bad Debts: 1500

OR

X. There exist several dissimilarities between Cost Accounting and Financial Accounting. Elaborate.

Q. 3. Answer ANY ONE from the following: (01x10=10 Marks)

A. A product is completed in three consecutive processes. During a particular month the input to Process 1 of the basic raw material was 5000 units at Rs. 2 per unit. Other information for the month was as follows:

		Process 1	Process 2	Process 3
Output	(Units)	4700	4300	4050
Normal Loss as % of input		5%	10%	5%
Scrap Value per unit	(Rs.)	1	5	6
Direct Wages	(Rs.)	3000	5000	8000
Direct Expenses	(Rs.)	9750	9910	15560

Overheads Rs. 32000 total, chargeable as percentage of direct wages. There were no opening or closing work-in-progress stocks. Compile three process and finished stock account with details of abnormal loss and gain, where applicable.

OR

X. Point out the distinguishing features of contract costing.

Q. 4. Answer ANY ONE from the following: (01x10=10 Marks)

A. Using the following information, prepare a flexible budget for the production of 80% and 100% activity.

- Production at 50% Capacity: 5000 Units
- Raw Materials: Rs.80 per unit
- Direct Labor: Rs.50 per unit
- Direct Expenses: Rs.15 per unit
- Factory Expenses: Rs.50,000 (50) (Fixed)
- Administration Expenses: Rs.60,000 (Variable)

OR

X. Zero-based budgeting was developed in the 1970s by Pete Pyhrr, a former accounting manager with Texas Instruments. While the traditional budgeting only analyses new expenditures, while Zero Based Budgeting (ZBB) starts from zero and calls for a justification of old, recurring expenses in addition to new expenditures. Discuss.

Q.5. Answer ANY ONE from the following; (01x10=10 Marks)

A. Bharat 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 40,000. It has the following payments to make:

Month	Sales	Purchases	Wages	Expenses
Feb	90,000	55,000	24,000	2,000
March	63,000	58,000	20,000	4,000
April	52,000	42,000	18,000	3,500
May	76,000	48,000	18,000	3,000
June	79,000	50,000	20,000	3,500
July	84,000	55,000	21,000	4,000
Aug	65,000	60,000	22,000	3,000

Additional information:

i. The company's policy is to collect 60% of sales in the month following sale and 40% in the second following month

ii. Rent payable is Rs. 5,500 per month

iii. Lag in payment of expenses is 2 month

iv. Insurance of Rs. 4,000 payable in the month of July

OR

X. Cost Accounting is all about the Cost and it includes things like Cost control, Cost computation and Cost reduction. Whereas Management Accounting is about managing the organization and making effective decisions. Elaborate.

****