

Seat No.	
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**BBA (Part - II) (Sem. - III) Examination, Nov. - 2013**  
**COST AND MANAGEMENT ACCOUNTING (Paper - I)**

**Sub. Code : 43937**

**Day and Date : Tuesday, 26 - 11 - 2013**

**Total Marks : 40**

**Time : 3.00 p.m to 5.00 p.m.**

- Instructions :** 1) All questions are compulsory.  
 2) Figures to the right indicate full marks.

**Q1)** A company producing a single article sells it at Rs. 10 each. The marginal cost of production is Rs. 6 and fixed cost is Rs. 400 per annum. You are asked to calculate the following : [14]

- Profit / Volume Ratio
- The Break - Even sales
- The sales to earn profit of Rs. 500.
- Profit at sales of Rs. 3000.

OR

What do you understand by Management Accounting? State and explain any four functions of Management Accounting.

**Q2)** Write short answers (any two) :- [16]

- Distinguish between Management Accounting and Cost Accounting.
- Write and explain the steps involved in the preparation of cash budget.
- Prepare a cash budget for the quarter - ended 30<sup>th</sup> sept. 2007 based on the following information.

Cash in bank on 1 <sup>st</sup> July 2007	Rs. 25,000
Salaries and wages estimated monthly	Rs. 10,000
Interest payable - August 2007	Rs. 5,000

Particulars	June (Rs.)	July (Rs.)	August (Rs.)	September (Rs.)
Estimated cash sales	-	1,40,000	1,52,000	1,21,000
Credit sales	1,00,000	80,000	1,40,000	1,20,000
Purchases	1,60,000	1,70,000	2,40,000	1,80,000
Other expenses payable in same month	-	20,000	22,000	21,000

P.T.O.

Credit sales are collected 50% in the month of sales are made, and 50% in the month following. Collection from credit sales are subject to 5% discount if payment is received in the month of sales, and 2.5% if payment is received in the following month. Creditors are paid either on a prompt or 30 days basis. It is estimated that 10% of the creditors are in the prompt category.

- d) What do you mean by standard costing? Write any four advantages of standard costing system.

**Q3) Write short notes (any two) :-**

**[10]**

- Functional budgets
- Setting of standards.
- Break - Even-point analysis.
- Master budget.



Particulars	July (Rs.)	August (Rs.)	September (Rs.)
Estimated cash sales	1,40,000	1,52,000	1,51,000
Credit sales	1,00,000	1,40,000	1,50,000
Purchases	1,60,000	1,70,000	1,80,000
Other expenses	20,000	22,000	21,000
Balance in same month	-	-	-
Interest payable - August 2007	-	Rs. 2,000	-
Salaries and wages estimated monthly	-	Rs. 10,000	-
Cash at bank on 1st July 2007	-	-	Rs. 25,000