

Seat No.	
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B.B.A. (Part - II) (Semester - III) Examination, November - 2014
COST AND MANAGEMENT ACCOUNTING (Paper - I)
Sub. Code : 43937

Day and Date : Monday, 17 - 11 - 2014

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 provides you the following information :

[14]

Particulars	Year 2009	
	First half year	Second half year
Sales	Rs. 8,10,000	Rs. 10,26,000
Profit earned	Rs. 21,600	Rs. 64,800

From the above you are asked to compute the following, assuming that the fixed cost remains the same in both the periods.

- Profit / volume Ratio.
- Fixed cost.
- Amount of profit or loss when sales are Rs. 6,48,000.
- Amount of sales required to earn a profit of Rs. 1,08,000.

OR

What do you mean by standard costing? Write the advantages and limitations of standard costing system. [14]

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

- What do you mean by budget? Explain master budget in brief.
- Distinguish between Financial Accounting and Cost Accounting.
- What is Break-even point analysis? Write and explain the assumptions of break-even point analysis.
- From the following information prepare a cash budget for the period June 2013 to August 2013.

Months	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Manufacturing Exps. (Rs.)	Selling Exps. (Rs.)
April 2013	50,000	40,000	5000	20% of wages	5% of Total sales
May 2013	80,000	50,000	5000	20% of wages	5% of Total sales
June 2013	60,000	70,000	6000	20% of wages	5% of Total sales
July 2013	70,000	40,000	6000	20% of wages	5% of Total sales
August 2013	60,000	30,000	7000	20% of wages	5% of Total sales

Other information :

- 1/5 of the sales are on cash basis.
- 50% of credit sales are recovered in the next month, whereas 50% are recovered after two months.
- Cash sales are made at 5% cash discounts.
- All purchases are credit purchases and the due amount is paid after two months.
- Wages are paid 15 days in arrears.
- Manufacturing expenses are paid in the same month and selling expenses are also paid in same month.
- A machine costing Rs. 60,000 is to be purchased in the month of July 97.50% payment is to be made in the same month and the remaining amount to be paid in equal three instalments along with interest @ 18% p.a.
- cash balance on 1.6.13 is Rs. 36,600.

Q3) Write short notes (any two) : [10]

- Capital Budget
- Functions of Management Accounting
- Functional budgets
- Concept of Marginal cost.

