



*Jamballa*

# Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12 B

Coimbatore-641 043, Tamil Nadu, India

Continuous Internal Assessment Test II – OCT 2024

SEMESTER III

Class: II UG  
Major: BBA (RM)

Time: 2Hours  
Max. Marks: 60

## 23BREDE1B Cost and Management Accounting

### Course Outcomes:

1. Determine various types of cost in retailing
2. Prepare cost estimate for retail outlets.
3. Prepare various budgets and to measure the performance of the business firm applying budgetary control measures.
4. Analyse the role of ERP in cost and management accounting.
5. Develop competencies and knowledge to become management and cost accounting professionals.

### Part- A

#### Answer All questions

6X1=6

1. The consolidated summary of the various functional budgets. CO3:K1
  - a) Functional budget b) Master budget c) Expenditure budget d) none of these
- 2 The difference between fixed and variable cost has a special significance in the preparation of CO3:K1
  - a) Flexible budget b) master budget c) cash budget d) sales budget.
3. The most commonly used tools for financial analysis are CO4:K1
  - a) Comparative Statements b) Common-size Statement c) Accounting Ratios d) All the above
4. If the total sources of funds are Rs. 2, 00,000 and total application of funds is Rs. 2, 50,000 then the working capital will CO4:K1
  - a) Decrease by Rs. 50,000 b) Increase by Rs. 50,000
  - c) Not be affected d) none of the above
5. Standard cost is a \_\_\_\_\_ cost CO5:K1
  - a) Predetermined b) historical c) Actual d) final
6. Material Usage Variance=Material Mix Variance + \_\_\_\_\_ CO5:K1
  - a)Material Yield Variance b) Material cost variance
  - c) Material price variance d) Material quantity variance

### Part B

#### Answer All questions

(3x6=18)

7. a) what is zero base budgeting? What are the advantages of zero-base approach over traditional approach? CO3:K3
- (Or)
- b) Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%,80%, and 90% plant capacity CO3:K3

Particulars	At 80% Capacity
<b>Variable overheads:</b>	
Indirect Labour	12000
Stores including spares	4000
<b>Semi-Variable overheads:</b>	
Power(30%fixed, 70% variable)	20000
Repairs and Maintenance (60%fixed, 40%variable)	2000
<b>Fixed overheads:</b>	
Depreciation	11000
Insurance	3000
Salaries	10000
<b>Total overheads</b>	<b>62000</b>
<b>Esitmated direct labour hours</b>	<b>124000hrs</b>

- 8.a) From the following information, prepare a comparative Income statement CO4:K2

Particulars	31-3-2020	31-3-2021
<b>Sales</b>	<b>10,00,000</b>	<b>8,00,000</b>
<b>Cost of goods sold</b>	<b>6,00,000</b>	<b>4,00,000</b>
<b>Adm.Selling and Distribution Expenses</b>	<b>2,00,000</b>	<b>1,40,000</b>
<b>Other incomes</b>	<b>40,000</b>	<b>20,000</b>
<b>Income tax</b>	<b>1,20,000</b>	<b>1,40,000</b>

(Or)

- 8 b) Explain the difference between fund flow statement and balance sheet. CO4:K3

CO5:K3

9. a) From the following particulars, compute:

(a) Material Cost Variance (b) Material price variance; and (c) Material Usage Variance

Particulars	Amount	Particulars	Amount
Quantity of Materials purchased	3,000 Units	Opening stock of Materials	Nil
Value of materials purchased	Rs 9000	Closing stock of Materials	500 units
Standard Quantity of materials required per tonne of output	30 units	Output during the period	80 tonnes
Standard rate of materials	Rs 2.50 per unit		

(Or)

b) Distinguish between standard costing and budgetary control.

**Part C****Answer ALL questions**

(3x12=36)

10.a) Explain Different types of budgets. What is the purpose of classifying budget in different types?

CO3:K4

(Or)

b) Prepare a cash budget for the three months ending 30 June 2021, from the information given below

CO3:K4

Month	Sales(Rs)	Materials (Rs)	Wages(Rs)	Overheads(Rs)
February	14,000	9,600	3,000	1,700
March	15,000	9,000	3,000	1,900
April	16,000	9,200	3,200	2,000
May	17,000	10,000	3,600	2,200
June	18,000	10,400	4,000	2,300

(b) credit terms are:

Sales and Debtors- 10% of sales are on cash, 50% of the credit sales are collected next month and the balance in the following month:

**Creditors- Materials - 2 months; Wages - ¼ month; overheads -1/2 month**

(c) Cash and bank balance on 1 April 2021 is expected to be Rs 6000

(d) Other relevant information are:

(i) Plant and Machinery will be installed in February 2021 at a cost of Rs96000. The monthly installment of Rs 2000 is payable from April onwards.

(ii) Dividend @ 5% on preference share capital of Rs. 2,00,000 will be paid on June 1.

(iii) Advance to be received for sale of vehicles Rs 9000 in June

(iv) Dividends from investments amounting to Rs 1000 are expected to be received in June

(v) Income tax (advance) to be paid in June is Rs 2000

11.a) The following is the balance sheet of Bharat Manufacturing co. Ltd, as on 31 December 2020

Liabilities	RS	Assets	RS
Equity Capital	48000	Plant and Machinery	90000
Profit and Loss A/c	12000	Sundry Creditors	18000
Debentures	30000	Stock	24000
Sundry creditors	46800	Cash at Bank	1440
Taxation provision	1200	Prepaid Insurance	
	138000		138000

From the above data, calculate current ratio.

(Or)

11(b) The following are the summaries of the balance sheet of ABC Ltd for two years.

CO4:K4

CO4:K5

Liabilities	31-12-2020	31-12-2021	Asset	31-12-2020	31-12-2021
Share Capital	2,00,000	2,60,000	Goodwill		20,000
Profit & loss Account	39,690	41,220	Land and Building	1,13,450	1,16,200
Reserves	50,000	50,000	Plant and Machinery	1,48,000	1,44,250
Sundry Creditors	39,500	41,135	Stocks	1,11,040	97,370
Bills payable	33,780	11,525	Sundry Debtors	85,175	72,625
Bank overdraft	59510		Bills Receivable	2,315	735
Provision for taxation	40,000	50,000	Cash	2,500	2,700
	4,62,480	4,53,880		4,62,480	4,53,880

You are required to prepare statement of changes on working capital, treating provision for taxation as a current liability. Also prepare a funds flow statement.

12. a) Discuss the advantages and limitations of standard costing.

CO5:K4

(or)

b) From the following, calculate Labour variances for Department A and B

CO5:K4

Particulars	Dept A	Dept B
Actual Direct Wages	2000	1800
Standard Hours Produced	8000	6000
Standard rate per hour	30 paise	35 paise
Actual hours worked	8200	5800

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