



Lambally

Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD)
Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12B
Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – November 2024
III Semester

Class : II UG
Major : B.Com CA

Time: 3 Hours
Max. Marks: 100

23BCCC07 Cost and Management Accounting

Course Outcomes:

- CO1:** Understand the basic of Cost and Management accounting
CO2: Ability to determine the Cost of Products and Services.
CO3: Critically analyze relevant costs and provide recommendations for decision making
CO4: Analyse the financial statements of a company.
CO5: Prepare plans and budgets and analyze variances from standard cost to pinpoint areas that need control

Part A

10 x 1 = 10

Choose the Correct Answer

1. Prime cost includes cost of CO1 K1
 - a. Direct labour, direct material, direct expenses
 - b. Indirect labour, indirect material, direct expenses
 - c. Direct labour, direct material, indirect expenses
 - d. Indirect Labour, direct material, indirect expenses

2. ABC analysis is an inventory control technique in which CO1 K2
 - a. Inventory levels are maintained
 - b. Inventory is classified into A, B and C category with A being the higher quantity, lowest value
 - c. Inventory is classified into A, B and C category with A being the lowest quantity highest value
 - d. Inventory is classified into A,B and C category with A being highest quantity, highest value

3. Which is not a reason for an idle time CO2 K1
 - a. Wage rate increase
 - b. Machine breakdown
 - c. Illness or injury to worker
 - d. Non-availability of material

4. Most suitable basis for apportioning insurance of machine CO2 K2
 - a. Floor Area
 - b. Value of Machines
 - c. No. of Workers
 - d. No. of Machines

5. Trend analysis is significant for CO3 K1
 - a. Profit planning
 - b. Working capital management
 - c. Capital rationing
 - d. Forecasting and Budgeting

6. Current Ratio indicates CO3 K2
 - a. Ability to meet short term obligations
 - b. Efficiency of management
 - c. Profitability
 - d. Net Income

7. Payment of Dividend is CO4 K1
 - a. An application of funds
 - b. A source of funds
 - c. Neither source nor application
 - d. Income to the Company

8. 'Cash flows' include CO4 K2
 - a. Cash receipts only
 - b. Cash Payments only
 - c. Cash receipts and payments
 - d. Cash and Non cash incomes and expenses

9. Break Even Point is CO5 K1
 - a. Sales at which profit is high
 - b. Sales at which there is loss
 - c. Sales at which there is not profit or loss
 - d. Sales at which there is high profit

10. A Flexible Budget is CO5 K2
 - a. Budget for different capacity levels
 - b. Budget for different departments
 - c. Budget for receipts and payments
 - d. Budget for different periods

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

- 11.a. Define Cost Accounting. Indicate the objectives of Management Accounting. CO1 K1
 (or)
- 11.b. From the following calculate EOQ and number of orders per annum. CO1K3
 Annual requirement = 1,600 units
 Cost of materials per unit = Rs. 40
 Cost of placing & receiving one order = Rs. 50
 Annual carrying cost of inventory = 10% of the inventory value.
- 12.a. What do you understand by Ideal Time and Over Time? CO2 K3
 (or)
- 12.b. During a week a worker produced 300 units working for 48 hours. CO2 K4
 The hourly rate is Rs. 4. The estimated time to produce a unit is 10 minutes.
 Under incentive scheme 20% additional time is allowed. Calculate his gross earnings under Halsey and Rowan Plans.
- 13.a. What are Financial Statements? Discuss the importance of Financial Statement Analysis. CO3 K5
 (or)
- 13.b. From the following profit and loss account of Gowtham Ltd., CO3 K3
 for the year ended 31st December 2010 and 2011, you are required to prepare a comparative income statement for the years 2010 and 2011.

Profit and Loss Account

(Rs. in lakhs)

Particulars	2010	2011	Particulars	2010	2011
To Cost of goods sold	600	750	By Net Sales	800	1,000
To Administrative exp.	20	20			
To Selling exp.	30	40			
To Net Profit	150	190			
	800	1,000		800	1,000

- 14.a. Enumerate the significance of Funds Flow Statements. CO4 K1
 (or)
- 14.b. The Balance sheets of Saroja Limited at the end of 2020 and 2021 are given below. You are required to prepare a Schedule of Changes in Working Capital. CO4 K5

Liabilities	2020 Rs.	2021 Rs.	Assets	2020 Rs.	2021 Rs.
Share Capital	1,00,000	1,50,000	Land	1,00,000	1,00,000
Share Premium	--	5,000	Plant at cost	1,04,000	1,00,000
General Reserve	50,000	60,000	Furniture at cost	7,000	9,000
P & L A/c	10,000	17,000	Investment at cost	60,000	80,000
5% Debentures	70,000	50,000	Debtors	30,000	70,000
Provision for depreciation on plant	50,000	56,000	Stock	60,000	65,000
Provision for depreciation on furniture	5,000	6,000	Cash	30,000	45,000
Provision for taxation	20,000	30,000			
Creditors	86,000	95,000			
	3,91,000	4,69,000		3,91,000	4,69,000

- 15.a. Explain the significance of Marginal Costing. CO5 K5
 (or)
- 15.b. From the following data calculate: CO5 K3
 1. P/V Ratio 2. Variable Cost 3. Profit
 Rs.
- Sales 80,000
 Fixed Expenses 15,000
 Break Even Point 50,000

19.a. Define Cash Flow Statements. Demonstrate the uses and significance of Cash Flow Statements.

CO4 K1

(or)

19.b. Malini Limited furnish you the following Balance Sheets for the years ending 31st Dec.2020-21. You are required to prepare a Cash Flow Statement for the year ended 31.12.2021.

CO4 K4

Balance Sheets

Liabilities	2020 Rs.	2021 Rs.	Assets	2020 Rs.	2021 Rs.
Equity Share Capital	20,000	20,000	Goodwill	2,400	2,400
General Reserve	2,800	3,600	Land	8,000	7,200
Profit and Loss A/c	3,200	2,600	Building	7,400	7,200
Sundry Creditors	1,600	1,080	Investments	2,000	2,200
Outstanding expenses	240	160	Inventories	6,000	4,680
Provision for tax	3,200	3,600	A/cs receivable	4,000	4,440
Provision for bad debts	80	120	Bank balance	1,320	3,040
	31,120	31,160		31,120	31,160

Following additional information has been supplied:

1. A piece of land has also been sold for Rs.800
2. Depreciation amounting to Rs. 1,400 has been charged on building
3. Provision for taxation has been made for Rs. 3,800 during the year.

20.a. Describe the merits and demerits of Standard Costing.

CO5 K3

(or)

20.b. Prepare a Flexible Budget for overheads on the basis of the following data.

Ascertain overhead rates at 50%, 60% and 70% capacity.

CO5 K2

Variable Overheads	At 60% Capacity (Rs.)
Indirect Material	6,000
Indirect Labour	18,000
Semi-variable Overheads	
Electricity (40% fixed, 60% variable)	30,000
Repairs (80% fixed, 20% variable)	3,000
Fixed Overheads	
Depreciation .	16,500
Insurance	4,500
Salaries	15,000
Total Overheads	93,000

Estimated Direct Labour Hours = 1,86,000.