

Balance sheet as at 31st March, 2021

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Share capital (100,000 equity shares of Rs. 10 each)	1,000,000	Land and building	1,000,000
General reserve	800,000	Plant and machinery	400,000
Profit and loss account	300,000	Stock	300,000
Sundry creditors	400,000	Sundry debtors	500,000
		Cash and bank balance	300,000
	2,500,000		2,500,000

**Profit and Loss Account for the year ending
31st March, 2021**

Particulars	Amount (Rs)	Particulars	Amount (Rs)
To opening stock	500,000	By sales	3,600,000
To purchases	2,100,000	By closing stock	300,000
To gross profit	1,300,000		
	3,900,000		3,900,000
To selling and distribution expenses	200,000	By gross profit	1,300,000
To administration expenses	460,000	By profit on sale of fixed assets	100,000
To finance expenses	40,000		
To net profit	700,000		
	1,400,000		1,400,000

Roll No.

Total Pages : 4

301301

December 2022

BBA (GEN) III SEMESTER**Cost and Management Accounting (BBA-GEN-301)**

Time : 3 Hours]

[Max. Marks : 75

Instructions :

1. *It is compulsory to answer all the questions (1.5 marks each) of Part-A in short.*
2. *Answer any four questions from Part-B in detail.*
3. *Different sub-parts of a question are to be attempted adjacent to each other.*

PART-A

1. (a) What are the advantages of Cost Accounting? (1.5)
(b) What is reorder level of stock? (1.5)
(c) What do you mean by labor cost control? (1.5)
(d) What is the purpose of time wage system? (1.5)
(e) Define the term overhead. (1.5)
(f) What are the situations when Job Costing is used? (1.5)
(g) Define Budget. (1.5)
(h) Explain P/V Ratio. (1.5)

- (i) What is the acid test ratio? (1.5)
 (j) How do you calculate the payback period? (1.5)

PART-B

2. (a) What is cost accounting? Discuss in detail objectives, nature and scope of cost accounting. (10)
 (b) What is the relationship between cost and management accounting? (5)
3. (a) Explain various methods of wage payment. (5)
 (b) Explain clearly the concept of Material Mention the main requisites of an adequate system of materials control. (10)
4. Explain the different methods of Cost Accounting and state the industries in which they can be applied. (15)
5. (a) Describe the basic types of responsibility centers. Correlate the measurement of inputs and outputs with references to different types of responsibility centers. (5)
 (b) What is Marginal Costing? Explain the practical application of marginal costing with examples. (10)
6. (a) What do you understand by analysis of Financial Statements? Explain various techniques of financial statement analysis. (10)

- (b) Two competing companies Ram Ltd and Sham Ltd, produce and sell the same type of product in the same market. For the year ended March 2022, their forecasted profit and loss accounts are as follow : (5)

Ram Ltd		Sham Ltd	
	Rs.		Rs.
Sales	2,50,000	Sales	2,50,000
<i>Less:</i>		<i>Less:</i>	
Variable cost 2,00,000		Variable cost 1,50,000	
Fixed cost <u>25,000</u>	2,25,000	Fixed cost <u>75,000</u>	2,25,000
Forecasted Net Profit before tax	25,000	Forecasted Net Profit before tax	25,000

You are required to compute:

- P/V Ratio.
 - Break-even sales volume.
7. From the following statements of Jai Hind Ltd, you are required to calculate the following ratios : (15)
- Current ratio
 - Quick ratio
 - Gross profit ratio
 - Fixed assets turnover ratio
 - Stock turnover ratio
 - Debtors' turnover ratio