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301201

May 2024

BBA (GEN) II Semester

Cost and Management Accounting (BBA/GN/201)

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 elements of cost?	(1.5)
	(b)	Define a cost sheet.	(1.5)
	(c)	Explain the formula to calculate EOQ.	(1.5)
	(d)	What is meant by idle time?	(1.5)
	(e)	State the advantages of time wage system.	(1.5)
	(f)	Define machine hour rate.	(1.5)
	(g)	Describe the nature of management accounting.	(1.5)
	(h)	What is responsibility accounting?	(1.5)
	(i)	Define financial statements.	(1.5)
	(j)	List down the advantages of cash flow analysis.	(1.5)

PART–B

2. "While financial accounting is external, cost accounting is internal". Comment. (15)

3. Explain LIFO and FIFO methods of valuation of materials issues. Discuss the effect of rising prices on these two methods of materials issues. (15)

4. What are the costs associated with labor turnover? How would you treat these costs in cost accounting? (15)

5. Enumerate the circumstances under which reduction of selling prices below total cost could be justified. (15)

6. A company has a profit margin of 20% and asset turnover of 3 times. What is the company's return on investment? How will this return on investment vary if :

   (a) Profit margin is increased by 5%?

   (b) Asset turnover is decreased to 2 times?

   (c) Profit margin is decreased by 5% and asset turnover is increase to 4 times? (15)

7. Following information relates to the manufacturing of a component X - III in a cost centre :

   Cost of materials 6 paise per component,
   Operator's wages 72 paise an hour,
   Machine hour Rs. 1.50,
   Setting, up time of the machine 2 hours and 20 minutes,
   Manufacturing time 10 minutes per component.

   Prepare cost sheets showing both production and setting up costs-total and per unit when a batch consists of 1,000 components. (15)