

Indian Maritime University
(A Central University, Govt of India)
End Semester Examinations – December 2023

Programme Name: BBA (LRE)

Semester: V

Subject Code: UG31T2502

Subject Name: COST & MANAGEMENT ACCOUNTING II

Date: 11.12.2023

Max Marks: 70

Duration: 03 Hrs

Pass Marks: 35

General Instructions

- (i) All Sections (A, B & C) are to be attempted.
- (ii) Options, if any, are specified in respective section.

Section A

ANSWER ALL- (Ten MCQs/Fill in the Blanks of 01 Mark each) Choose the correct answer as applicable.

1. Direct material costs are added to direct manufacturing costs for calculating:
(a) Estimated costs (b) Prime costs (c) Resale cost (d) Merchandise costs
2. Absolute Liquidity ratio measure should ideally be:
(a) Above 1 (b) Not less than 0.5 (c) Not less than 2 (d) None above
3. If sales are Rs 2,00,000 and Break-even sales are Rs 1,20,000, What is MoS?
(a) Rs 3,20,000 (b) Rs 80,000 (c) Rs 60,000 (d) None of the above
4. Difference between budgeted amounts and actual results are classified as
(a) standard deviation (b) variances (c) mean average (d) weighted average
5. ----- is a summary of all functional budgets.
(a) Annual Budget (b) Master Budget (c) Long Period Budget (d) Flexible Budget
6. Which of these are not application of Funds?
(a) Dividend paid (b) Furniture purchased (c) Buying short-term investments (d) Income tax paid
7. In debt -equity ratio, the term equity refers to -----
(a) Reserves and Surplus (b) Shareholders funds (c) Borrowings (d) All above

8. The labour rate variance can be calculated by the following equation:

- (a) $(\text{Standard hours} - \text{actual hours}) \times \text{actual wage rate}$
- (b) Budgeted labour costs - actual labour costs
- (c) $(\text{Standard wage rate} - \text{actual wage rate}) \times \text{actual hours worked}$
- (d) $(\text{Standard wage rate} - \text{actual wage rate}) \times \text{standard hours worked}$

9. Comparative Income statement is

- (a) Vertical analysis (b) Horizontal analysis (c) Both the above (d) None of the above

10. Contribution + Fixed expenses + Profits =

- (a) Sales (b) Margin of safety (c) Total cost (d) none of these

Section B

Answer ALL- Five Questions of 02 Marks each

- 11. How to determine DOL and DFL?
- 12. Explain P/V Ratio
- 13. what is zero based budgeting?
- 14. What are the advantages of cash budget?
- 15. Explain Budgetary Control

Section C

Answer ANY FIVE- (Seven Questions of 10 Marks each of which any 05 questions to be answered)

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16. You are supplied the following data:

Standard hours 3000
Standard rate of wages Rs.10 per hour
Actual rate of wages Rs.12 per hour
Actual hours 2000

Calculate

- (a) Labour cost variance
- (b) Labour efficiency variance
- (c) Labour rate variance

17. Explain zero based budgeting and its advantages and disadvantages?

18. Following are the ratios relating to the trading activities of Neetha Traders Ltd.

Receivable turnover = 90 days (360 days year)

Inventory turnover 3 times

Payable turnover 3 months

Gross profit ratio 25%

Gross profit for the year amounted to Rs.18000. Closing inventory of the year is Rs.2000 above the opening inventory. Bills receivable amount to Rs.2500 and bills payable Rs.1000. Ascertain the following:

- (a) Sales
- (b) Debtors
- (c) Closing inventory
- (d) Sundry creditors

19. From the following information, prepare Cash Flow statement for the year ended 31st March, 2023

Particulars	Amount
Opening cash balance	10000
Closing cash balance	12000
Decrease in trade receivables	5000
Increase in trade payables	7000
Sale of fixed assets	20000
Redemption of debentures	50000
Net profit for the year before tax	20000

20. The following results of a company for the last years are as follows:

Year	Sales (Rs.)	Profit (Rs.)
2020	150,000	20,000
2021	1,70,000	25,000

You are required to calculate:

- (a) p/v ratio
- (b) BEP in value
- (c) The sales required to earn a profit of Rs.40,000
- (d) Profit when sales are Rs.2,50,000
- (e) Margin of safety at a profit of Rs.50,000

21. Explain management accounting. What are the functions of management accounting?

22. How does a cash flow statement differ from a fund flow statement?