

Indian Maritime University
(A Central University, Govt of India)
End Semester Examinations – June 2023
Programme Name: BBA (LRE)
Semester: FIVE
Subject Code: UG31T2502
Subject: Cost and Management Accounting II

Date: 07.06.2023

Max Marks: 70

Duration: 03 Hrs

Pass Marks: 35

General Instructions

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

Section A

Ten MCQs/Fill in the Blanks of 01 Mark each
Choose the correct answer as applicable.

1. Debt means
 - (a) Current liabilities
 - (b) Long term borrowings
 - (c) Fixed assets
 - (d) Current assets

2. Revenue from operations – Cost of revenue from operation =
 - (a) Net profit
 - (b) Net income
 - (c) Gross profit
 - (d) Operating profit

3. Sales – variable cost =
 - (a) Net profit
 - (b) Contribution
 - (c) Gross profit
 - (d) None

4. When fixed cost is Rs.10,000 and P/V ratio is 50%. The break-even point will be
 - (a) 20,000
 - (b) 40,000
 - (c) 50,000
 - (d) 10,000

5. The cost of a product as determined under standard cost system is
 - (a) Fixed cost
 - (b) Historical cost
 - (c) Direct cost
 - (d) Pre- determined cost

6. Share Capital is a
 - (a) Current liability
 - (b) Non – current liability
 - (c) Non – current asset
 - (d) Current asset

7. Current ratio is 2.8. Current liabilities Rs.2,00,000. The value of Current asset is
- (a) 5,60,000 (b) 6,00,000
(c) 3,00,000 (d) 2,50,000
8. One of the most important tools of cost planning is
- (a) Cost sheet (b) Unit Cost
(c) Direct cost (d) Budget
9. Receipts from the Issue of shares is an example of
- (a) Operating activities (b) Investing activities
(c) Financing activities (d) All of these
10. Long term solvency of a firm measured by using
- (a) Current ratio (b) Net profit ratio
(c) Gross profit ratio (d) Debt equity ratio

Section B

Five Questions of 02 Marks each

Five Questions of 02 Marks each

11. What is Common size statement .
12. What are profitability ratios. Explain .
13. Define Break even point. How it is calculate.
14. What is meant by flexible budget.
15. Define Standard costing.

Section - C

Seven Questions of 10 Marks each of which any 05 questions to be answered.

16. Define Budgeting. Explain the types of Budget.
17. The operating results of a Company for the last two years are as follows.
- | Year | Sales | Profit |
|------|----------|--------|
| 2021 | 2,70,000 | 15,000 |
| 2022 | 3,00,000 | 24,000 |
- You are required to calculate (a) P/V ratio (b) Variable cost for the two Periods (c) BEP (d) Margin of safety at a profit of Rs.30,000.

18. From the following prepare a cash budget for three months, starting from July 1st when there was a cash balance of Rs.11,000. Anticipated sales and Costs are

Month	Sales	Purchases	Overheads
May	1,60,000	90,000	30,000

June	1,80,000	1,30,000	33,000
July	1,70,000	1,10,000	28,000
August	2,30,000	1,70,000	35,000
September	2,50,000	1,60,000	36,000

Other information's:-

- (a) 50% of sales are on credit and the period of credit being one month.
- (b) All the purchases are on credit and the period of credit being two months.

19. What is meant by cash flow statement. How is it calculated.

20. Current ratio is 2.5. Acid test ratio is 1.5. Working capital 60,000. Find out
(a) Current assets (b) Current liabilities (c) Quick assets. (d) Stock

21. Explain the scope and importance of Management Accounting.

22. What is variance. Indicates its significance to the management.
