

Indian Maritime University
(A Central University, Govt of India)
Supplementary Examinations – March/April 2025

Programme Name: BBA (ML)
Semester: III

Subject Code: UG32T1301

Subject Name: COST AND MANAGEMENT ACCOUNTING

Date: 17.03.2025	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

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

1. One of the following costs would be classified as a variable cost?
 - a) Depreciation on machinery
 - b) Salaries of administrative staff
 - c) Cost of raw materials
 - d) Property taxes

2. The primary focus of management accounting is _____
 - a) Historical financial performance
 - b) Regulatory compliance
 - c) Future planning and control
 - d) financial reporting to external stakeholders

3. _____ costing method accumulates costs by department or activity and then assigns those costs to products?
 - a) Job order costing
 - b) Process costing
 - c) Activity-based costing
 - d) Absorption costing

4. Factory supervision costs are categorized as:
 - a) Manufacturing overhead
 - b) Direct material
 - c) Direct labour
 - d) Selling and administrative expense

Section C

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

16. What are the benefits of cost accounting for businesses?
17. Mr. Vivekananda provides the following data relating to the manufacturing of a standard product during the month of July, 2024. You are required to prepare Cost Sheet and find the cost profit/loss.

Raw Material consumed Rs. 4,50,000
Direct Labor Charges Rs. 3,00,000
Direct Expenses Rs. 1,50,000
Factory overhead Rs. 1,50,000
Factory supervision Rs. 50,000
Administrative overheads 20% on Works Cost
Selling overhead Rs. 1.50 per unit
Units produced 34,200
Units sold 32,000 @ 50 per unit

18. In a factory, the total number of employees at the beginning of the year was 1500. By the end of the year, 1600 employees had left 100, and 200 new employees were hired. Calculate the labour turnover ratios?
19. Define standard costing and explain its key characteristics and advantages.
20. A company is producing 20,000 units of a component but needs an additional 20,000 units to meet demand. The production costs for the component are:
- Direct Materials: Rs. 10 per unit
Direct Labor: Rs. 6 per unit
Variable Overhead: Rs. 4 per unit
Fixed Overhead: Rs.30,000 (total for current production)
- The external supplier offers the additional 20,000 units at Rs. 23 per unit.
Should the company make or buy the additional 20,000 units?
21. Explain the objectives of budgetary control and its impact on financial management.
22. A company produces 5,000 units of a product. The standard material requirement is 5 kg per unit, and the standard price is Rs. 6 per kg. The actual