



‘समानो मन्त्रः समितिः समानी’

UNIVERSITY OF NORTH BENGAL
BBA Honours 3rd Semester Examination, 2023

CC6-BBA (302)

COST AND MANAGEMENT ACCOUNTING

Time Allotted: 2 Hours

Full Marks: 60

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.
All symbols are of usual significance..*

GROUP-A

Answer any two questions from the following

12×2 = 24

1. What is Cost Accounting? What are its objectives? Distinguish between Cost Accounting and Management Accounting. 3+4+5
2. Radha Gobinda Jute Mills produces a single jute product which undergoes two processes. From the following information prepare Process Accounts, Normal Loss Account, Abnormal Loss Account and Abnormal Gain Account: 6+2+2+2

	Process-A	Process-B
Raw Material Issued (3,000 kg)	₹15,000	-
Additional Material	₹1,000	₹780
Direct Wages	₹14,000	₹20,000
Production Overhead	₹3,000	₹7,500
Normal Loss	10%	5%
Scrap Value per unit	₹2.00	₹5.00
Output in Kg	2,800 kg	2,600 kg

3. (a) A factory is currently working at fifty per cent capacity and produces five thousand units: 6

Material	₹50.00
Labour	₹15.00
Factory Overhead	₹15.00 (₹6 is Fixed)
Administrative Overhead	₹10.00 (50% is Variable)
Current Selling Price	₹ 100.00

At 60% working, material cost per unit increases by 2% and selling price per unit decreases by 2%. At 80% working, material cost per unit increases by 5% and selling price per unit decreases by 5%.

Prepare a Flexible Budget at 60% and 80% capacity.

- (b) Darjeeling Ltd. manufactures a single product and sells at a price of Rs. 16 per unit. Variable cost per unit is Rs. 10 per unit. Fixed costs amounted to Rs. 48,000 per annum 2+2+2

Calculate:

- (i) P/V Ratio
- (ii) No. of units to be sold to break-even
- (iii) No. of units to be sold to achieve a profit of Rs. 30,000 p.a.

4. The detail regarding the composition and the weekly wage rates of labour force engaged on a job scheduled to be completed in 30 weeks are as follows: 3+3+3+3

Category of Workers	Standard		Actual	
	No. of Workers	Wage rate ₹ per Worker	No. of Workers	Wage rate ₹ per Worker
Skilled	75	60	70	70
Semi-Skilled	45	40	30	50
Unskilled	60	30	80	20

The work was completed in 32 weeks. Calculate the following labour variances:

- (i) Labour Cost Variance.
- (ii) Labour Rate Variance.
- (iii) Labour Efficiency Variance.
- (iv) Labour Yield Variance.

GROUP-B

5. Answer any *four* questions: 6×4 = 24

- (a) From the following data, for X Ltd. For the year ended 31st March 2022, calculate the following: 6

- (i) Re-order Quantity
- (ii) Re-order Level
- (iii) Minimum Level
- (iv) Maximum Level
- (v) Safety Stock Level

Annual Consumption 5200 units; Cost of placing an order ₹200; Annual Carrying cost per unit = ₹4.30; Normal Usage = 100 Units per week; Minimum Usage = 50 Units per week; Maximum Usage 150 Units per week; Re-order period = 4-6 weeks; Lead time = 4-6 weeks.

- (b) Distinguish between Standard Costing and Budgetary Control. 6

- (c) From the following, calculate the total monthly remuneration of three workers A, B and C: 6

- (i) Standard production per month per worker 1000 units.
- (ii) Actual production during a month A: 850 units; B: 720 units; C: 960 units.
- (iii) Dearness Allowance Rs. 50 per month (fixed).
- (iv) Piece work rate per unit of actual production 20 paisa.

- (v) House Rent Allowance Rs. 20 per month (fixed).
 (vi) Additional Production Bonus @ Rs. 5 for each percentage of actual production exceeding 80% of the standard.
- (d) What process would you follow to account for under-absorption and over-absorption overheads? 6
- (e) About 50 items are required every day for a machine. A fixed cost of Rs. 50 per order is incurred for placing an order. The inventory carrying cost per item amounts to Re. 0.02 per day. The lead period is 32 days. 4+2
 Compute:
 (i) EOQ
 (ii) Re-order level.
- (f) XYZ Limited supplies the following information for the year ended 31st March 2023: 6

	01.04.2022 (₹)	31.03.2019 (₹)
Stock of Raw Materials	1,00,000	1,23,500
Stock of Finished Goods	71,500	42,000
Stock of Work In Progress	31,000	34,500

Transactions during the year ended on 31st March 2023.

	₹
Purchase of Raw Materials	88,000
Direct Wages	70,000
Work Expenses	39,500
Administrative Expenses	13,000
Sale of Scrap	2,000
Selling Expenses	15,000
Sales	2,84,000

Prepare a Cost Sheet with as many details as possible.

GROUP-C

6. Answer any **four** questions: 3×4 = 12
- (a) Define Historical Cost and Standard Cost.
 (b) How should the Idle Time be treated in cost accounting?
 (c) Enumerate at least three applications of Marginal Costing.
 (d) What is a carrying cost? Give any two examples.
 (e) State the treatment of overtime wages in cost accounting.
 (f) Explain the concept of Flexible Budget.

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