

Roll No.

Total No. of Pages : 02

Total No. of Questions : 08

**BBA (Sem.-3)**  
**COST & MANAGEMENT ACCOUNTING**

Subject Code : BBA303-18

M.Code : 76657

Date of Examination : 09-07-21

Time : 2 Hrs.

Max. Marks : 60

**INSTRUCTIONS TO CANDIDATES :**

1. Attempt any FIVE question(s), each question carries 12 marks.

1. Cost accounting provides invaluable aid to management. It provides detailed costing information to the management to enable them to maintain effective control over stores and inventory, to increase the efficiency of the organization, and to check wastage and losses. Explain the various advantages derived by the management from a good system of cost.
2. Depending upon the company situation - size, nature and organizational setup, and his own capabilities and position in the company, the management accountant may be required to perform various and varied functions. Explain the role of a management accountant in decision-making.
3. From the following information you are required to calculate :
  - a) Sales
  - b) Sundry Debtors
  - c) Sundry Creditors
  - d) Closing stock;

Debtors' velocity ratio 3 months

Stock velocity ratio 6 months

Creditors' velocity ratio 2 months

Gross profit ratio 25%

The gross profit for the year ended 31<sup>st</sup> March 2014 was Rs. 5, 00,000. Stock for the same period was Rs. 20,000 more than it was at the beginning of the year. Bills receivable and bills payable were Rs. 1,50,000, and Rs. 83,333 respectively.

4. Budgetary control entails the creation of budgets, the assignment of executive responsibilities to policy requirements, and the ongoing comparison of actual and budgeted results, either to ensure that the policy's objectives are met through individual action or to provide a firm foundation for its revision. Do you agree or disagree with this statement? Make an argument in your favor.
5. *'Variance analysis is an integral part of the standard costing system'*. Explain the statement in detail.
6. *"While variable costs are fixed per unit of output, the fixed costs are variable per unit of output although all costs tend to be variable in the long run"*. Explain.
7. *'Every time a budget is set, all activities are re-evaluated. This is known as zero-base budgeting. Do you agree with this assertion'?* Please provide an explanation.
8. Cost accounting and management accounting both are internal to the organization. Both have the same objectives of assisting management in its functions of planning, decision-making, controlling, and techniques like budgetary control, standard costing, and marginal costing owe their existence to cost accounting and have slipped into the kitbag of the management accountant. Explain the difference between cost and management accounting.

**Note: Any student found attempting answer sheet from any other person(s), using incriminating material or involved in any wrong activity reported by evaluator shall be treated under UMC provisions.**

**Student found sharing the question paper(s)/answer sheet on digital media or with any other person or any organization/institution shall also be treated under UMC.**

**Any student found making any change/addition/modification in contents of scanned copy of answer sheet and original answer sheet, shall be covered under UMC provisions.**