

**Indian Maritime University  
(A Central University, Govt of India)  
End Semester Examinations – December 2023  
Programme Name: IMU-BBA  
Semester: III**

**Subject Code: UG32T1301**

**Subject Name: COST AND MANAGEMENT ACCOUNTING**

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Date: 05.12.2023

Max Marks: 70

Duration: 03 Hrs

Pass Marks: 35

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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. \_\_\_\_\_ helps in ascertaining costs beforehand.
  - a. Financial Accounting
  - b. Cost Accounting
  - c. Management Accounting
  - d. Both Cost Accounting and Management Accounting
  
2. Costing is a type or technique of costing.
  - a. Batch costing
  - b. Job costing
  - c. Marginal costing
  - d. Multiple costing
  
3. Variable cost is also called:
  - a. Fixed cost
  - b. Absorption cost
  - c. Indirect cost
  - d. Direct cost
  
4. Cost centre and cost unit are \_\_\_\_\_
  - a. The same
  - b. Not the same
  - c. Not related
  - d. Associated
  
5. The total of all direct expenses is known as \_\_\_\_\_
  - a. Total cost
  - b. Prime cost
  - c. Manufacturing cost
  - d. Production cost
  
6. Material control does not cover the following stage

- |                         |                        |
|-------------------------|------------------------|
| a. Purchase of material | b. Storage of material |
| c. Issue of material    | d. Production          |
7. Stores Ledger is maintained in the \_\_\_\_\_
- |                               |                       |
|-------------------------------|-----------------------|
| a. Control department         | b. Finance department |
| c. Cost accounting department | d. Both b & c         |
8. If the amount of work certified is less than..... of the contract price, then no profit should be taken to Profit & Loss Account.
- |        |           |        |           |
|--------|-----------|--------|-----------|
| a. 25% | b. 33.33% | c. 50% | d. 66.67% |
|--------|-----------|--------|-----------|
9. Standard costs is \_\_\_\_\_
- |                       |                    |
|-----------------------|--------------------|
| a. Budgeted cost      | b. Actual cost     |
| c. Predetermined cost | d. Bench mark cost |
10. \_\_\_\_\_ is the consolidated summary of the various functional budgets.
- |                      |                       |
|----------------------|-----------------------|
| a. Production budget | b. Performance budget |
| c. Master budget     | d. Sales budget       |

### Section B

**Answer the following Five Questions. Each question carries 02 Marks.**

11. Explain the objectives of Cost Accounting.
12. What are the methods of Inventory Control.
13. Discuss the importance of CVP Analysis.
14. What are the essentials of Budgetary Control.
15. Outline the advantages of Standard Costing.

### Section C

**Answer the following Seven Questions. Each question carries 10 Marks.**

16. Define Cost Accounting? State the advantages of Cost Accounting.
17. Mr. Vivek furnishes the following data relating to the manufacturing of a standard product during the month of April, 2023.

Raw Material consumed Rs. 30,000  
 Direct Labor Charges Rs. 20,000  
 Machine hours worked 2000  
 Machine hour rate Rs. 10  
 Administrative overheads 20% on works cost

Selling overhead Rs. 0.75 per unit

Units produced 17,100

Units sold 16,000 @ 10 per unit

You are required to prepare Cost Sheet and determine the cost profit.

18. What is Labor Turnover. Explain the Methods of Labor Turnover.

19. Define is Marginal Costing? What are its characteristic features explain.

20. The following information, Calculate 1. Profit Volume Ratio

2. Break Even Point 3. Margin of Safety 4. Required sales at desired profit of Rs. 5,00,000.

Sales Rs. 20,00,000

Variable Cost 60%

Fixed Overhead Rs. 4,00,000

21. Discuss briefly the objectives, advantages and limitations of budgetary control.

22. Outline the importance of Responsibility Accounting.

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