**Roll No. ......................**

**Total No. of Questions: 07]** **[Total No. of Pages: 02**

**BBA (Sem. – 3rd)**

**COST & MANAGEMENT ACCOUNTING**

**SUBJECT CODE: BB - 303**

**Paper ID: [C0215]**

**[Note: Please fill subject code and paper ID on OMR]**

**Time: 03 Hours** **Maximum Marks : 60**

**Instruction to Candidates:**

1) Section - A is **Compulsory**.
2) Attempt any **Four** questions from Section - B.

## Section - A

***Q1)*** ***(10 × 2 = 20)***

a) Cost Unit.

b) Standard Costing.

c) EOQ.

d) P/V Ratio.

e) Material price variance.

f) Master Budget.

g) Cost centre.

h) Cash equivalent.

i) Budget.

j) Break Even point.

## Section - B

***(4 × 10 = 40)***

***Q2)*** Cost Accounting is unnecessary luxury. Comment

***Q3)*** What is meant by Budgetary Control? What are advantages of Budgetary Control?

***Q4)*** Prepare a cost sheet taking imaginary figures.

***Q5)*** The Standard cost of a chemical mixture is as follows:

40% Material A at Rs. 20 per Kg

60% Material B at Rs. 30 per Kg

A standard loss of 10% of input is expected in production. The cost records for a period showed the following usage.

90 Kg Material A at a cost of Rs. 18 per Kg.

110 kg Material B at a cost of Rs. 34 per Kg.

The quantity produced was 182 kg.

Calculate all material variance and explain the causes responsible for each variance.

***Q6)*** You are given the following information:

| Year | Sales | Profit |
|---|---|---|
| | Rs. | Rs. |
| 1995 | 1, 20,000 | 9,000 |
| 1996 | 1, 40,000 | 13,000 |

Assuming that the cost structure and selling price remain unchanged in the two years, find out

- P/V ratio.
- Break Even Point.
- Fixed cost.
- Profit when sales are Rs. 1, 00,000.

***Q7)*** A manufacturing company uses Rs. 50,000 materials per year. The administration cost per purchase is Rs. 50 and Carrying cost is 20% of the average inventory. The company currently has an optimum purchasing policy but has been offered 0.4 percent discount if they purchase five times per year. Should the offer be accepted? If not, what counter offer should be made?

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