

Course Code:20MBA235

Course Name: COST ACCOUNTING AND BUDGET CONTROL

Max. Marks: 60

Duration: 3 Hours

PART A*Answer all questions. Each question carries 2 marks*

Marks

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| 1 | What is Cost Object? | (2) |
| 2 | What do you understand by Unit Costing? | (2) |
| 3 | Define Cost Volume Profit Analysis. | (2) |
| 4 | What is Budgetary Control? | (2) |
| 5 | What is Variance Analysis? | (2) |

PART B*Answer any 3 questions. Each question carries 10 marks*

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| 6 | Differentiate between Cost Accounting and Financial Accounting | (10) |
| 7 | Hridya Ltd manufactures a consumable product. From the following data relating to a year, you are required to prepare the cost sheet. | (10) |

Rs.

Materials (Opening)	30,000
Materials (Closing)	25,000
Work-in –progress (opening)	50,000
Work-in progress (closing)	55,000
Finished products (opening)	60,000
Finished products (closing)	80,000
Materials purchased during the year	1,20,000
Direct labour	90,000
Manufacturing O.H	80,000
Selling expenses	40,000
General expenses	32,000
Sales	3,92,000

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| 8 | A product is sold at a price of Rs.100 per unit and its variable cost is Rs.80 per | (10) |
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unit. The fixed expense of the business are Rs.10,000 per year. You are required to calculate:

- i) BEP in units
 - ii) BEP in values
 - iii) Profits made when sales is 620 units
 - iv) Sales to be made to earn a profit of Rs.10,000 for the year
- 9 Define Budgetary Control. Write the objectives of budgetary control. (10)
- 10 Discuss the advantages and limitations of Standard Costing. (10)

PART C

Compulsory question. This question carries 20 marks

- 11 Assuming that the cost structure and selling prices remain the same in Periods I and II , find out: (20)
- a) Profit Volume ratio
 - b) Fixed cost
 - c) Breakeven point for sales
 - d) Profit when Sales are of Rs 1,00,000
 - e) Sales required to earn a profit of Rs20,000
 - f) Margin of Safety at Profit of Rs 15,000
 - g) Variable cost in Period II

Period	Sales (Rs)	Cost (Rs)	Profit (Rs.)
I	1,20,000	1,11,000	9,000
II	1,40,000	1,27,000	13,000
