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4 (Sem-4) CMAC

2022

COST AND MANAGEMENT ACCOUNTING

(Management Major)

Paper : 405

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

GROUP-A

(Cost Accounting)

(Marks : 40)

1. Answer the following as directed :

1×6=6

- (a) Installation of good Cost Accounting system need to have proper Financial Accounting system.

(Write True or False)

Contd.

(b) When maximum stock level is fixed, the stock in hand should never exceed this level. (Write True or False)

(c) The cost incurred on materials used to further the manufacturing process which cannot be traced into the end product are called _____.

(Fill in the blank)

(d) The management's time is saved by reporting only the deviation from the predetermined standards is called _____.

(Fill in the blank)

(e) If the minimum stock level and average stock level of raw material 'A' are 4,000 and 9,000 units respectively. Find out its re-order quantity.

(i) 8,000 units

(ii) 10,000 units

(iii) 11,000 units

(iv) 9,000 units.

(Choose the correct option)

(f) Material loss during production or storage due to evaporation or shrinkage is called :

(i) Scrap

(ii) Material loss

(iii) Spoilage

(iv) Waste.

(Choose the correct option)

2. Answer the following questions : $2 \times 2 = 4$

(a) What is time rate of wages?

(b) Distinguish between Standard Cost and Target Cost.

3. Answer **any two** questions from the following : $5 \times 2 = 10$

(a) Distinguish between Cost Accounting and Financial Accounting.

(b) Write the meaning and objectives of Cost Audit.

(c) Write about avoidable and unavoidable causes of labour turnover.

4. Answer the following questions : $10 \times 2 = 20$

(a) What are the elements of Cost? With appropriate examples explain the term.

Or

From the following particulars prepare a Cost statement :

Stock on 1/1/2020

Raw materials	Rs. 30,500
Finished goods	Rs. 20,400

Stock on 31/1/2020

Raw materials	Rs. 48,500
Finished goods	Rs. 10,000
Purchase of Raw materials	Rs. 25,000
Work in Progress 1/1/2020	Rs. 8,000
Work in Progress 31/1/2020	Rs. 9,000
Sales	Rs. 95,000
Direct wages	Rs. 20,400
Factory expenses	Rs. 10,500
Office expenses	Rs. 3,800
Distribution expenses	Rs. 2,500

(b) Define Standard Costing. Bring out clearly the relationship between standard costing and budgetary control.

Or

What is meant by under and over-absorption of overheads? What are the treatments in cost books?

GROUP-B

(Management Accounting)

(Marks : 40)

5. Answer the following questions as directed :

$1 \times 6 = 6$

(a) Scope of Management Accounting is broader than Cost Accounting.

(Write True or False)

(b) Liquidity ratios are used to make the analysis of a long term financial position.

(Write True or False)

(c) Budgetary control is one of the tool and technique of _____.

(Fill in the blank)

(d) At Break-Even Point, total cost is exactly equal to _____.
(Fill in the blank)

(e) Which of the following is Turnover ratio or Activity ratio ?

(i) Capital Gearing Ratio

(ii) Liquid Ratio

(iii) Inventory to Working Capital Ratio

(iv) Operating Profit Ratio.

(Choose the correct option)

(f) Contribution minus Fixed Cost is equal to :

(i) Variable Cost

(ii) Unit Cost

(iii) Marginal Cost

(iv) Profit.

(Choose the correct option)

6. Answer the following questions : $2 \times 2 = 4$

(a) What is zero-based budgeting ?

(b) What is capital structure ratio ?

7. Answer **any two** questions from the following : $5 \times 2 = 10$

(a) What are the essentials of effective budgeting ?

(b) Explain the functions of a Management Accountant.

(c) From the following information calculate Debt to Total Fund Ratio —

Share Capital Rs. 25,00,000

10% Debentures Rs. 20,00,000

Bank loan Rs. 10,00,000

Current Liabilities :

Sundry Creditors Rs. 80,000

Bills Payable Rs. 70,000

Total Fund Rs. 56,50,000

8. Answer **any two** questions from the following : $10 \times 2 = 20$

(a) Explain the meaning of Financial Statement analysis. Explain its significance and purpose.

(b) XYZ furnish the following information of its product M :

	Present	Proposed
Production (units)	Rs. 10,000	Rs. 10,000
Selling price per unit	Rs. 50	Rs. 40
Variable cost per unit	Rs. 30	Rs. 30
Fixed cost	Rs. 60,000	Rs. 60,000

Calculate the P/V ratio, Break-even point and Margin of Safety.

- (c) What is the utility of preparing Cash Flow Statement? How is it prepared as per Indian Accounting standard?
- (d) What is performance budgeting? What are the stages involved in performance budgeting?