



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
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Make-up Examinations – December 2025

Date: 26 – 12- 2025

Time: 1.00pm to 04.00pm

School: SOL	Program: BBL	
Course Code : BBL2006	Course Name: COST AND MANAGEMENT ACCOUNTING	
Semester: MK	Max Marks: 100	Weightage: 50%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	20	20	20	20	20

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2 marks.

10Q x 2M=20M

1.	What do you understand the term of Cost Accounting?	2 Marks	L1	CO1
2.	Identify the following overheads and state under which head they are classified in the Cost Sheet. A. Depreciation on Factory machinery B. Postage and telegram C. Advertising Expenses D. Unproductive wages	2 Marks	L3	CO1
3.	Given the annual consumption of a material is 1,800 units, ordering costs are ₹ 2 per order, price per unit of material is 0.32 paise and storage costs are 25% per annum of stock value, determine the Economic Order Quantity (EOQ).	2 Marks	L5	CO2
4.	From the following figures find the Maximum Stock Level. 1. Normal weekly requirement 1,000 pieces 2. Maximum weekly requirement 1200 pieces 3. Minimum weekly requirement 800 pieces 4. Time required to obtain supplies 6 to 8 weeks. Re-order quantity 10,000 pieces	2 Marks	L1	CO2

5.	Distinguish between Current Ratio and Quick ratio	2 Marks	L4	C03
6.	Identify and place the following items under the correct heads of the Balance Sheet: A. Stock B. Buildings C. General Reserve D. Bills Payable	2 Marks	L3	C03
7.	Define a budget and state any one importance of budgeting.	2 Marks	L1	C04
8.	What is zero based budgeting?	2 Marks	L1	C04
9.	State any two limitations of a Cash Flow Statement.	2 Marks	L1	C05
10.	List the three major categories of cash flows as per Ind AS 7	2 Marks	L1	C05

Part B

Answer ALL the Questions. Each question carries 7 Marks.

5Q X 7= 35M

11.	a.	<p>KGF Furniture Ltd. is a company specializing in the production of wooden furniture, including tables, chairs, and cabinets. The company has been facing issues in cost control and pricing due to improper classification of costs. To improve its cost management, DEF Furniture decided to implement a Cost Accounting System that focuses on the proper classification of costs to enhance decision-making and operational efficiency.</p> <p>Question: Explain the various classification of Costs.</p>	07 Marks	L2	C01																										
Or																															
12.	a.	<p>From the following information, show/ prepare a cost sheet</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Stock of Raw Material (1st Mar 2024)</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Purchase of Raw Materials</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Productive wages/Direct Wages</td> <td style="text-align: right;">2,500</td> </tr> <tr> <td>Unused Raw Material (31st Mar 2024)</td> <td style="text-align: right;">3,450</td> </tr> <tr> <td>Direct Expenses</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>General Expenses</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Administration Expenses</td> <td style="text-align: right;">1,750</td> </tr> <tr> <td>Sales</td> <td style="text-align: right;">90,000</td> </tr> <tr> <td>Factory Rent</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>Factory insurance</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Factory Lighting</td> <td style="text-align: right;">2,500</td> </tr> <tr> <td>Selling & Travelling Expenses</td> <td style="text-align: right;">1,500</td> </tr> </tbody> </table>	Particulars	Rs.	Stock of Raw Material (1st Mar 2024)	10,000	Purchase of Raw Materials	25,000	Productive wages/Direct Wages	2,500	Unused Raw Material (31st Mar 2024)	3,450	Direct Expenses	2,000	General Expenses	5,000	Administration Expenses	1,750	Sales	90,000	Factory Rent	2,000	Factory insurance	5,000	Factory Lighting	2,500	Selling & Travelling Expenses	1,500	07 Marks	L2	C01
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13.	a.	The following transactions occur in the purchase and issue of material.	07 Marks	L2	C02																											
		<table border="1"> <thead> <tr> <th>DATE</th> <th>Purchases</th> <th>Issues</th> </tr> </thead> <tbody> <tr> <td>2025 Jan 1</td> <td>1000 units @ Rs.5 per Unit</td> <td></td> </tr> <tr> <td>Jan-10</td> <td>250 Units @ Rs 5.25 per Unit</td> <td></td> </tr> <tr> <td>Jan-12</td> <td>500 Units @5.50 per Unit</td> <td></td> </tr> <tr> <td>Jan-15</td> <td></td> <td>800 Units</td> </tr> <tr> <td>Jan-18</td> <td>500 Units @ Rs.5.50 per Unit</td> <td></td> </tr> <tr> <td>Jan-20</td> <td></td> <td>600 Units</td> </tr> <tr> <td>Jan-25</td> <td>500 Units @ Rs.5.75 per Unit</td> <td></td> </tr> <tr> <td>Jan-31</td> <td></td> <td>100 Units</td> </tr> </tbody> </table>				DATE	Purchases	Issues	2025 Jan 1	1000 units @ Rs.5 per Unit		Jan-10	250 Units @ Rs 5.25 per Unit		Jan-12	500 Units @5.50 per Unit		Jan-15		800 Units	Jan-18	500 Units @ Rs.5.50 per Unit		Jan-20		600 Units	Jan-25	500 Units @ Rs.5.75 per Unit		Jan-31		100 Units
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Jan-31		100 Units																														
Show the stock account showing the balance on March 31 st the end of accounting year by FIFO method.																																

Or

14.	a.	Explain the various types overheads	07 Marks	L2	C02
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15.	a.	Explain the following terms in detail: (i) Common size statement analysis (ii) Comparative statement analysis	07 Marks	L4	C03
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Or

16.	a.	Compute and interpret the following Liquidity Ratios:	07 Marks	L2	C03
		<ul style="list-style-type: none"> • Current Ratio • Quick Ratio <p>Given:</p> <ul style="list-style-type: none"> • Prepaid Expenses: ₹40,000 • Stock: Rs.30,000 • Sundry Debtors: ₹5,00,000 • Current Liabilities: ₹1,20,000 • Machinery: Rs.2,00,000 			

17.	a.	Explain the differences between fixed budget and flexible budget	07 Marks	L2	C04
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Or

18.	a.	You are required to prepare a Flexible Budget for the production of 6,000 units and 8,000 units. Expenses budgeted for production of 10,000 units in a factory are furnished below:	07 Marks	L5	C04
		<table border="1"> <thead> <tr> <th>Particulars</th> <th>Per unit (₹)</th> </tr> </thead> <tbody> <tr> <td>Materials</td> <td>70</td> </tr> </tbody> </table>			
Particulars	Per unit (₹)				
Materials	70				

		Labour	25			
		Variable Factory Overheads	20			
		Fixed Factory Overheads	10			
		Variable Expenses (Direct)	5			
		Selling Expenses (10% fixed)	13			
		Distribution Expenses (20% fixed)	7			
		Administrative Expenses (Fixed)	5			
		Total cost of sales per unit	155			

19.	a.	Explain the uses of statement of cash flow	07 Marks	L5	C05
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Or

		Calculate Cash Flow from Operating Activities from the following details:					
		Particulars	31st Mar 2019 (₹)	31st Mar 2018 (₹)			
		Surplus i.e., Balance in Statement of Profit and Loss	3,00,000	2,00,000			
		Bills Receivable	1,80,000	1,40,000			
20.	a.	Accumulated Depreciation	3,20,000	3,00,000	07 Marks	L5	C05
		Outstanding Rent	40,000	16,000			
		Prepaid Insurance	12,000	14,000			
		Goodwill	1,60,000	2,00,000			
		Inventories (Stock)	1,80,000	1,40,000			

Part C

Answer any Three Questions. Each question carries 15 marks

3Q x 15M=45M

21.	a.	(i) Explain the differences between cost accounting and management accounting (ii) Quotation Vs Tender	15 Marks	L5	CO1
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22.	a.	<p>From the following information, calculate:</p> <p>(i) Gross Profit Ratio; (ii) Inventory Turnover Ratio; (iii) Current Ratio; (iv) Liquid Ratio ; and (v) Net Profit Ratio</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>25,20,000</td> <td>Average Inventory</td> <td>8,00,000</td> </tr> <tr> <td>Net Profit</td> <td>3,60,000</td> <td>Current Assets (Other than Inventory)</td> <td>7,60,000</td> </tr> <tr> <td>Cost of Revenue from Operations</td> <td>19,20,000</td> <td>Fixed Assets</td> <td>14,40,000</td> </tr> <tr> <td>Long-term Debts</td> <td>9,00,000</td> <td>Current Liabilities</td> <td>6,00,000</td> </tr> <tr> <td>Trade Payables</td> <td>2,00,000</td> <td>Net Profit before Interest and Tax</td> <td>8,00,000</td> </tr> </tbody> </table>	Particulars	Amount (₹)	Particulars	Amount (₹)	Revenue from Operations	25,20,000	Average Inventory	8,00,000	Net Profit	3,60,000	Current Assets (Other than Inventory)	7,60,000	Cost of Revenue from Operations	19,20,000	Fixed Assets	14,40,000	Long-term Debts	9,00,000	Current Liabilities	6,00,000	Trade Payables	2,00,000	Net Profit before Interest and Tax	8,00,000	15 Marks	L5	CO3
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23.	a.	<p>Prepare a Cash Budget for the three months ended 30th September, 2017 based on the following information:</p> <p>Cash at bank on 1st July, 2017 ₹25,000 Monthly salaries and wages (estimated) ₹10,000 Interest payable in August, 2017 ₹ 5,000</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>June ₹</th> <th>July ₹</th> <th>August ₹</th> <th>September ₹</th> </tr> </thead> <tbody> <tr> <td>Cash sales (actual)</td> <td>1,20,000</td> <td>1,40,000</td> <td>1,52,000</td> <td>1,21,000</td> </tr> <tr> <td>Credit sales</td> <td>1,00,000</td> <td>80,000</td> <td>1,40,000</td> <td>1,20,000</td> </tr> <tr> <td>Purchases</td> <td>1,60,000</td> <td>1,70,000</td> <td>2,40,000</td> <td>1,80,000</td> </tr> <tr> <td>Other expenses</td> <td>18,000</td> <td>20,000</td> <td>22,000</td> <td>21,000</td> </tr> </tbody> </table> <p>Credit sales are collected 50% in the month of sale and 50% in the month following. Collections from credit sales are subject to 10% discount if received in the month of sale and to 5% if received in the month following.</p>	Particulars	June ₹	July ₹	August ₹	September ₹	Cash sales (actual)	1,20,000	1,40,000	1,52,000	1,21,000	Credit sales	1,00,000	80,000	1,40,000	1,20,000	Purchases	1,60,000	1,70,000	2,40,000	1,80,000	Other expenses	18,000	20,000	22,000	21,000	15 Marks	L5	CO4
Particulars	June ₹	July ₹	August ₹	September ₹																										
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		10% of the purchases are in cash and balance is paid in next month.			
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24.	a.	The following transactions occur in the purchase and issue of material.				15 Marks	L2	CO1
		Date	Particulars	Quantity	Rate (₹)			
		January 1	Opening stock	400	30			
		January 4	Purchase	500	32			
		January 7	Issue	450				
		January 10	Purchase	300	34			
		January 15	Issue	350				
		January 18	Purchase	200	31			
		January 20	Issue	200				
Calculate the value of closing stock, pricing the issue according to LIFO Method.								