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PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester Mid Term, March 2026

Date: 10/03/2026

Time: 09:30 AM - 11:00 AM

Course Code: MBA3146

Course Name: Cost and Revenue Management

Semester: Fourth Semester

Max. Marks: 50

Weightage: 50%

CO - Levels	CO1	CO2
Marks	35	35

Part A: Answer Following Questions. 15 M

Qn.No	Questions	M	CO	BT
1	A company produces custom-made furniture. Recommend the most suitable costing method (Job, Batch, Process, or Operating) and justify your choice based on cost accumulation.	3	CO1	BT3
2	A manufacturer wants to quote a price for a special order. The estimated cost is ₹1,00,000. If the company aims for a 20% profit on the selling price, calculate the quotation price.	3	CO1	BT3
3	Sree Autospares Ltd incurred the following expenses in the month of January,2026. Apply the concept of classification of costs, and show which of the following are controllable or uncontrollable costs and why? Direct wages, salesmen salaries, factory rent, freight in, manufacturing cost, and insurance.	3	CO1	BT3
4	Cost of production ₹ 6,00,000, closing stock of finished goods ₹ 50,000, warehouse rent ₹2,000,depreciation on plant Rs 1,00,000, selling expenses ₹ 20,000, direct wages ₹ 10,000. Ascertain is cost of sales?	3	CO1	BT3
5	Explain how the 'Cost of Production' during the year from the cost sheet is used to value the closing stock of finished goods, and how it impacts the 'Cost of Goods Sold.	3	CO1	BT3

Part B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT																
6	<p>In M/s Sriram Industries a product passes through three distinct processes to completion. These processes are P,Q, and R respectively. During the week ended 28th February, 2026, 1,000 units are produced. The following information is obtained:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Process P (₹)</th> <th>Process Q (₹)</th> <th>Process R (₹)</th> </tr> </thead> <tbody> <tr> <td>Materials</td> <td>12,000</td> <td>10,000</td> <td>4,000</td> </tr> <tr> <td>Labour</td> <td>8,000</td> <td>4,000</td> <td>4,000</td> </tr> <tr> <td>Direct expenses</td> <td>4,000</td> <td>1,000</td> <td>2,000</td> </tr> </tbody> </table> <p>The indirect expenses for the period were ₹6,000 apportioned to the processes on the basis of labour cost.</p> <p>Prepare process accounts showing total cost and cost per unit. Analyse the cost in each process and comment.</p>		Process P (₹)	Process Q (₹)	Process R (₹)	Materials	12,000	10,000	4,000	Labour	8,000	4,000	4,000	Direct expenses	4,000	1,000	2,000	10	CO2	BT4
	Process P (₹)	Process Q (₹)	Process R (₹)																	
Materials	12,000	10,000	4,000																	
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Direct expenses	4,000	1,000	2,000																	
7	<p>Process costing and job costing are widely used methods for cost ascertainment in industries. Although they may appear similar, they are fundamentally different in their nature, application and cost accumulation procedures. Differentiate between the process and job costing with examples.</p>	10	CO2	BT4																

Part C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT				
8	<p>Mr.Shyam furnishes the following data relating to the manufacture of a standard product during the month of January, 2026.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">(Amount in ₹)</td> </tr> <tr> <td style="height: 40px;"></td> <td></td> </tr> </table>		(Amount in ₹)			10	CO1	BT3
	(Amount in ₹)							

Raw materials consumed	15,000
Direct labour charges	9,000
Machine hours worked	900
Machine hour rate	5
Administrative overhead	20% on works cost
Selling overheads	0.50 per unit
Units produced	17,100
Units sold	16,000 @ ₹ 4 per unit

Prepare a cost sheet from the above information showing:

(a) the total cost (b) cost per unit sold and profit for the period

9	The accounts of a Karnataka Machine Manufacturing Company disclose the following information for the six months ending 31st December, 2025. Materials used ₹ 1,50,000; Direct wages ₹ 1,20,000; Factory overheads ₹ 30,000 and administrative expenses ₹ 15,000. Prepare the cost sheet of the machines and calculate the price which the company should quote for the manufacture of machine requiring materials valued ₹ 1,250 and expenditure in productive wages ₹ 750, so that the price might yield a profit of 20% on the selling price.	10	CO1	BT3
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Part D: Answer Following Questions. 15 M

Qn.No	Questions	M	CO	BT
10	A product passes through three processes A,B and C. The normal wastage of each process is as follows: Process A 3 per cent, Process B 5 per cent, and Process C 8 per cent. Wastage of Process A was sold at Re 0.25 per unit, that of Process B at Re 0.50 per unit and that of Process C at Re 1 per unit. 10,000 units were issued to Process A in the beginning of October 2020 at a cost of Re 1 per unit. The other expenses were as follows:	15	CO2	BT4

	Process A	Process B	Process C
Sundry materials	₹ 1,000	₹ 1,500	₹ 500
Labour	5,000	8,000	6,500
Direct expenses	1,050	1,188	2,009
Actual output	9,500 units	9,100 units	8,100 units

Required:

- (i) Prepare the Process Accounts, assuming that there were no opening or closing stocks. Also
- (ii) Give the Abnormal Wastage and Abnormal Gain Accounts
- (iii) Analyse the effect of abnormal loss/gain on the costing profit & loss account