Roll No										

PRESIDENCY UNIVERSITY

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Bengaluru

Even Semester End Term Examination, May / June 2026		
Date: 14/05/2026		**Time: 01.00 PM - 04.00 PM**
Course Code: MBA3146	**Course Name: Cost and Revenue Management**	
Semester: Fourth Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	CO1	CO2	CO3
Marks	44	29	67

Part A: Answer Following Questions. 30 M

Qn.No	Questions	M	CO	BT
1	Mr. Sriram, a newly appointed employee in a cement block manufacturing unit, is responsible for cost ascertainment. Suggest an appropriate method of costing for his firm and justify your choice.	3	CO1	BT1
2	Cipla Pharma incurred the following expenses in the month of March,2026. Apply the concept of product and periodic costs, explain how do you classify following expenses. Packaging expenses, Carriage expenses, Showroom rent, Manufacturing cost, and Insurance	3	CO1	BT2
3	Explain the appropriate method for procuring computers for a small software development centre (10 computers), and state whether obtaining quotations from dealers or issuing a tender call would be more suitable.	3	CO1	BT2
4	From the following data, compute the abnormal gain or loss: Input: 5,000 units, Normal Loss: 5%,Actual Output: 4,800 units	3	CO2	BT2
5	Explain the effect of (i)normal wastage and (ii) abnormal wastage on the output cost of a product in process accounting	3	CO2	BT2
6	Interpret the effect of the following on break-even point and P/V ratio in terms of increase or decrease or no effect and give reasons a)increase in variable cost b)increase in total fixed cost c)increase in sales units	3	CO3	BT2

7	Calculate the break-even point from the following: Sales 1,000 units at Rs 10 each(total sales Rs 10,000). Variable cost Rs 6 per unit, fixed cost Rs 8,000.	3	CO3	BT3
8	Explain whether Company A, which has a higher break-even point due to higher fixed costs, should adopt a pricing strategy of reducing selling price to boost sales volume or increasing price to enhance contribution margin.	3	CO3	BT2
9	Compare and contrast the treatment of Normal Loss and Abnormal Loss in a process accounts.	3	CO2	BT2
10	Present sales ₹2,00,000, variable cost ₹1,20,000, fixed cost ₹40,000. Find out P/V ratio. Also ascertain the effect of 10% increase in sales on P/V ratio keeping other expenses remain constant.	3	CO3	BT3

<table>
<tr><th colspan="5">Part B: Answer Any 1 Following Questions. 10 M</th></tr>
<tr><th>Qn.No</th><th>Questions</th><th>M</th><th>CO</th><th>BT</th></tr>
<tr><td>11</td><td>From the following particulars ,prepare a statement showing a)the cost of materials consumed b)prime cost c)works cost d)total cost e) the percentage of works overheads to productive wages and f) the percentage of general overheads to works cost:

(Amount in ₹)
<table>
<tr><td>Opening stock of raw materials</td><td>33,000</td><td>Closing stock of raw materials</td><td>35,000</td></tr>
<tr><td>Purchase of raw materials</td><td>7,50,000</td><td>Factory overhead charges</td><td>1,29,000</td></tr>
<tr><td>Sales of finished goods</td><td>15,35,000</td><td>Office and general expenses</td><td>70,000</td></tr>
<tr><td>Direct wages</td><td>5,10,000</td><td></td><td></td></tr>
</table>
The company is about to send a tender for a large plant. The costing department estimated that the materials required would cost ₹ 52,000 and the wages to workmen for making the plant would cost ₹ 31,200. The tender is to be made at a net profit of 20% on the selling price. Show what the amount of tender would be if based on the above percentages</td><td>10</td><td>CO1</td><td>BT3</td></tr>
<tr><td>12</td><td>From the following particulars of Sri Vishnu Cements, prepare a cost sheet and ascertain the sales assuming a profit of 20% on sales.</td><td>10</td><td>CO1</td><td>BT3</td></tr>
</table>

	1.1.2025(₹)	31.12.2025(₹)
Raw materials	30,500	48,500
Work-in-progress	8,000	9,000
Finished goods	20,400	10,000
Transactions during the year:		
Purchases of raw materials	25,000	
Direct wages	20,400	
Factory expenses	10,500	
Office expenses	5,400	
Selling and Distribution expenses	7,300	

Part C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
13	50 Units are introduced into a process at a cost of Re 1 each. The total additional expenditure incurred by the process is Rs 30. Of the units introduced, 10% are normally spoiled in the course of manufacture, these possess a scrap value of Rs 0.25 each. Due to an accident, only 40 units are produced. Prepare (i)Process Account (ii)Abnormal Loss Account.	10	CO2	BT3
14	A product passes through three distinct processes to completion. These processes are named respectively A, B, and C. During the week ended 31 January, 2,000 units are produced. The following information is obtained.	10	CO2	BT3

	Process A (₹)	Process B (₹)	Process C (₹)
Materials	12,000	26,000	4,000
Labour	10,000	8,000	10,000
Direct expenses	2,000	400	2,000

	The indirect expenses for the period were ₹5,600, apportioned to the processes on the basis of labour cost. Prepare process accounts showing total cost and per unit			

Part D: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
15	As a management accountant, explain how you would evaluate and make decisions regarding (i) a plant merger, (ii) determining the optimal sales mix, and (iii) identifying and managing limiting factors.	10	CO3	BT2
16	Explain the assumptions of break- even analysis in a real life business	10	CO3	BT2

Part E: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
17	In an auto components manufacturing company the cost of making a specific part is ₹ 60(which includes material ₹ 25,labour ₹ 20, other direct expenses ₹ 10and fixed cost₹ 5). The same part is available for ₹ 57 in the market with the assurance of continuous supply. (i)Examine whether company should make or buy it? Give reasons. (ii)Will your answer be different if market price is ₹ 53? Show your calculations clearly	10	CO3	BT4
18	A notebook manufacturer has designed a new note book with good paper quality. He has fixed the price of three note books names Rs 20 for 200 pages, super model note book, Rs 15 for 200 pages Deluxe model note book and Rs 10 for Basic model note book. He plans to allow 25% discount to wholesalers and retailers. The estimated fixed cost would be Rs 75,000 and the variable cost per unit comes to Rs 5 Required: (a)Calculate break-even point for each type of note book (b) Analyze the number of books the manufacturer should sell in order to make a profit of Rs 25,000?	10	CO3	BT4

Part F: Answer Following Questions. 30 M

Qn.No	Questions	M	CO	BT
19	From the following information for the month of January, prepare a cost sheet to show the following components: a)prime cost,	15	CO1	BT3

	b)factory cost, c)cost of production, d)total cost, and e)profit			

(amount in ₹)

Direct material	57,000	Direct wages	28,500
Factory rent	2,500	Office rent	500
Plant repairs	1,000	Plant depreciation	1,250
Factory lighting	400	Factory manager's salary	2,000
Office salaries	1,600	Director's fees	1,500
Telephone charges	200	Printing & stationery	100
Legal charges	150	Advertisement	1,500
Salesmen's salaries	2,500	Showroom rent	500
Sales	1,16,000		

20	The following particulars are obtained from the records of a company manufacturing two products A and B.	15	CO3	BT4

Particulars	Per unit (₹)	
	Product A	Product B
Selling price	200	400
Material cost (₹ 20 per kg)	40	100
Direct wages (₹ 6 per hour)	60	120
Variable overhead	20	40

Total fixed overheads is ₹ 10,000

Analyze and comment on profitability of each product when production capacity in hours is the limiting factor.