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PRESIDENCY UNIVERSITY

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Bengaluru

Even Semester End Term Examination, May / June 2026		
Date: 15/05/2026		**Time: 09.30 AM - 12.30 PM**
Course Code: COM3071	**Course Name: Cost and Management Accounting**	
Semester: Fourth Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	**36**	**36**	**36**	**36**	**36**

Part A: Answer Following Questions. 20 M

Qn.No	Questions	M	CO	BT
1	Define Cost per Unit.	2	CO1	BT1
2	State any two advantages of management accounting information.	2	CO1	BT1
3	What is FIFO method?	2	CO2	BT1
4	State the meaning of Rowan plan.	2	CO2	BT1
5	Calculate, Gross Profit Ratio: Total Revenue from Operations (Sales): 5,20,000 Sales Return:20,000 Cost of Revenue from Operations (Goods Sold: 400000)	2	CO3	BT3
6	What is a common size statement?	2	CO3	BT1
7	List any two objectives of budgetary control	2	CO4	BT1
8	Compute an ideal Economic quantity (EOQ) from the following data:Consumption of material X: 7,250 units per annum. Expenses of placing on order and receiving the consignment: ₹ 8/- per order. Cost of storing the inventory per unit: Re. 2/-	2	CO4	BT3
9	Define Investing activities.	2	CO5	BT1
10	List any 4 Operating Activities.	2	CO5	BT1

<table>
<tr><th colspan="5">Part B: Answer Any 1 Following Questions. 16 M</th></tr>
<tr><th>Qn.No</th><th>Questions</th><th>M</th><th>CO</th><th>BT</th></tr>
<tr><td>11.a</td><td>Explain the objectives of Management Accounting.</td><td>6</td><td>CO1</td><td>BT2</td></tr>
<tr><td>11.b</td><td>Following are the Balance sheet of Rachna Ltd as at 31st March 2021 and 2020:
<table>
<tr><th>Particulars</th><th>31st March 2021 (₹)</th><th>31st March 2020 (₹)</th></tr>
<tr><td>I. Equity and Liabilities</td><td></td><td></td></tr>
<tr><td>Shareholders' Funds</td><td></td><td></td></tr>
<tr><td>Share Capital</td><td>1,50,000</td><td>1,00,000</td></tr>
<tr><td>Reserve and Surplus</td><td>1,00,000</td><td>1,00,000</td></tr>
<tr><td>Non-Current Liabilities</td><td></td><td></td></tr>
<tr><td>Long-term Borrowings (Loans)</td><td>80,000</td><td>20,000</td></tr>
<tr><td>Current Liabilities (Trade Payables)</td><td>50,000</td><td>30,000</td></tr>
<tr><td>TOTAL</td><td>3,80,000</td><td>2,50,000</td></tr>
<tr><td>II. Assets</td><td></td><td></td></tr>
<tr><td>Non-current Assets</td><td></td><td></td></tr>
<tr><td>Fixed Assets (Tangible)</td><td>3,00,000</td><td>2,00,000</td></tr>
<tr><td>Current Assets (Trade Receivables)</td><td>80,000</td><td>50,000</td></tr>
<tr><td>TOTAL</td><td>3,80,000</td><td>2,50,000</td></tr>
</table>
Prepare a Comparative Balance Sheet.</td><td>10</td><td>CO1</td><td>BT3</td></tr>
<tr><td>12.a</td><td>Explain different steps invovled preparation of Cost sheet.</td><td>6</td><td>CO1</td><td>BT2</td></tr>
<tr><td>12.b</td><td>From the Following statement of profit and Loss sunny Ltd. prepare a Comparative statement of profit and Loss Account.
<table>
<tr><th>Particulars</th><th>31st March 2021 (₹)</th><th>31st March 2020 (₹)</th></tr>
<tr><td>I. Income</td><td></td><td></td></tr>
<tr><td>Revenue from Operations</td><td>22,00,000</td><td>20,00,000</td></tr>
<tr><td>Other Income</td><td>40,000</td><td>40,000</td></tr>
<tr><td>Total Revenue</td><td>22,40,000</td><td>20,40,000</td></tr>
<tr><td>II. Expenses</td><td></td><td></td></tr>
<tr><td>Purchase of Stock-in-trade</td><td>17,00,000</td><td>16,00,000</td></tr>
<tr><td>Change in Inventories</td><td>80,000</td><td>60,000</td></tr>
<tr><td>Employee Benefit Expenses</td><td>70,000</td><td>60,000</td></tr>
<tr><td>Finance Costs</td><td>50,000</td><td>50,000</td></tr>
<tr><td>Depreciation</td><td>20,000</td><td>15,000</td></tr>
<tr><td>Other Expenses</td><td>50,000</td><td>35,000</td></tr>
<tr><td>Total Expenses</td><td>19,70,000</td><td>18,20,000</td></tr>
<tr><td>III. Profit Before Tax (I - III)</td><td>2,70,000</td><td>2,20,000</td></tr>
<tr><td>less: Tax</td><td>81,000</td><td>66,000</td></tr>
<tr><td>IV. Profit After Tax</td><td>1,89,000</td><td>1,54,000</td></tr>
</table></td><td>10</td><td>CO1</td><td>BT3</td></tr>
</table>

<table>
<tr><th colspan="5">Part C: Answer Any 1 Following Questions. 16 M</th></tr>
<tr><th>Qn.No</th><th>Questions</th><th>M</th><th>CO</th><th>BT</th></tr>
<tr><td>13.a</td><td>From the following particular relating to Material A, show how the value of the issues should be arrived under FIFO Method.

1.1.2016 Opening stock 1000 units at ₹5 each
3.1.2016 Purchased 900 units at ₹6 each
7.1.2016 Issued on Job No.10 — 1200 units
11.1.2016 Purchased 800 units at ₹6.20 each
13.1.2016 Issued 1000 units</td><td>6</td><td>CO2</td><td>BT3</td></tr>
<tr><td>13.b</td><td>Two materials X and Y are used as follows:

• Minimum usage: 80 units per week each
• Maximum usage: 200 units per week each
• Normal usage: 120 units per week each

Reorder Quantity:

• X = 800 units
• Y = 1,200 units

Delivery Period:

• X = 3 – 5 weeks
• Y = 4 – 6 weeks

Calculate for each material:

(1) Reorder level (2) Minimum level (3) Maximum level (4) Average Stock level.</td><td>10</td><td>CO2</td><td>BT3</td></tr>
<tr><td>14.a</td><td>From the following particulars prepare Stores Ledger Account and pricing under LIFO method.

1.3.2013 — Opening stock 200 tonnes @ ₹ 480 per tonne

6.3.2013 — Issued 140 tonnes

7.3.2013 — Purchased 350 tonnes @ ₹ 460 per tonne

8.3.2013 — Condemned due to deterioration transferred to scrap 30 tonnes (loss)

9.3.2013 — Issued 80 tonnes

14.3.2013 — Issued 210 tonnes

17.3.2013 — Purchased 200 tonnes @ ₹ 480 per tonne

20.3.2013 — Issued 280 tonnes

25.3.2013 — Purchased 280 tonnes @ ₹ 470 per tonne</td><td>6</td><td>CO2</td><td>BT3</td></tr>
</table>

	28.3.2013 — Issued 293 tonnes			
14.b	The following information is available in respect of a particular material: • Reorder Quantity — 4,800 units • Maximum Consumption — 1,000 units per week • Minimum Consumption — 400 units per week • Normal Consumption — 700 units per week • Reorder Period — 4 to 6 weeks Calculate: (1) Reorder level (2) Minimum level (3) Maximum level (4) Average stock level.	10	CO2	BT3

Part D: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT
15.a	Explain the objectives of ratio analysis .	6	CO3	BT2
15.b	The Following Extracts from Balance Sheet of Bhubaneshwar Ltd. as at 31-03-2021 You are required to calculate: (a) Debt-Equity Ratio (b) Proprietary Ratio (c) Solvency Ratio (d) Fixed Assets to Proprietors’ Funds Ratio (e) Fixed Assets Ratio (f) Current Assets to Proprietors’ Funds Ratio	10	CO3	BT3

Particulars	₹
I. Equity and Liabilities	
Shareholders’ Funds	
Equity Share Capital	3,00,000
9% Preference Share Capital	1,00,000
Reserves and Surplus	50,000
Non-Current Liabilities	
10% Debentures	2,00,000
Long-term Loans	25,000
Current Liabilities	2,25,000
Total	9,00,000
II. Assets	
Fixed Assets	6,00,000
Investments	50,000
Current Assets	2,50,000
Total	9,00,000

16.a	(a) If Apple Company Ltd.'s Current Ratio is 5.5: 1, Quick Ratio is 4 to 1, Inventory is 30,000, what are its Current Liabilities? (b) If Orange Company Ltd.'s inventory is 60,000, total current liabilities are ₹ 1,20,000, Quid Ratio is 2 to 1, calculate Current Ratio.	6	CO3	BT3

	(c) If Banana Company Ltd.'s Current Liabilities are 25,000, Quick Ratio is 1.5: 1, Inventory s 12,500,calculate Current Assets			
16.b	The Following Extracts from Balance Sheet of Surya Ltd. as at 31-03-2021	10	CO3	BT3

Particulars	₹
I. Equity and Liabilities	
Shareholders' Funds	
Equity Share Capital	3,00,000
9% Preference Share Capital	1,00,000
Reserves and Surplus	50,000
Non-Current Liabilities	
10% Debentures	2,00,000
Long-term Loans	25,000
Current Liabilities	2,25,000
Total	9,00,000
II. Assets	
Fixed Assets	6,00,000
Investments	50,000
Current Assets	2,50,000
Total	9,00,000

You are required to calculate:
(a) Debt-Equity Ratio
(b) Proprietary Ratio
(c) Solvency Ratio
(d) Fixed Assets to Proprietors' Funds Ratio
(e) Fixed Assets Ratio
(f) Current Assets to Proprietors' Funds Ratio

Part E: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT
17.a	Explain the objectives of budgetary control.	6	CO4	BT2
17.b	The following information relates to a flexible budget at 60% capacity. Find out the overhead costs at 50% and 70% capacity and also determine the overhead rates.	10	CO4	BT3

Particulars	₹
Variable Overheads:	
Indirect Labour	10,500
Indirect Materials	8,400
Semi-Variable Overheads:	
Repairs and Maintenance (70% fixed, 30% variable)	7,000
Electricity (50% fixed, 50% variable)	25,200
Fixed Overheads:	
Office Expenses including Salaries	70,000
Insurance	4,000
Depreciation	20,000
Estimated Direct Labour Hours	1,20,000

	You are required to: 1. Find the overhead costs at 50% and 70% capacity. 2. Determine the overhead rates.			
18.a	Explain the characteristics of good budgeting.	6	CO4	BT2
18.b	The cost of an article at a capacity level of 10,000 units is given under A below. For a variation in capacity above or below this level, the individual expenses vary as indicated in B below:	10	CO4	BT4

Particulars	A (₹)	B (Percentage of Variation)
Materials	50,000	100% Varying
Labour	30,000	100% Varying
Power	3,000	80% Varying
Repair and Maintenance	3,500	80% Varying
Stores	2,000	100% Varying
Inspection	800	25% Varying
Depreciation	10,000	100% Varying
Administration Overhead	3,600	25% Varying
Selling Overhead	4,500	50% Varying
Total	1,07,400	
Cost per unit	₹ 10.74	

Part F: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT
19.a	Explain the classification of cash flow activities.	6	CO5	BT2
19.b	The following are the comparative balance sheets of XYZ Ltd. as at 31st March, 2021 and 2020	10	CO5	BT3

Particulars	31-3-2021 (₹)	31-3-2020 (₹)
I. Equity and Liabilities		
Shareholders' Funds		
Share Capital (Shares of ₹10 each)	3,70,000	3,50,000
Reserve and Surplus:		
Balance as per Statement of Profit and Loss	52,800	50,400
	30,000	60,000
Non-Current Liabilities		
Debentures	59,200	51,600
Current Liabilities		
Trade Payables (Creditors)		
Total	5,12,000	5,12,000

II. Assets	31-3-2021 (₹)	31-3-2020 (₹)
Non-Current Assets		
Fixed Assets (Tangible):		
Land	1,50,000	1,00,000
Fixed Assets (Intangible):		
Goodwill	25,000	50,000
Current Assets		
Inventories (Stock)	2,13,500	2,46,000
Trade Receivables (Debtors)	84,500	71,000
Cash and Cash Equivalents:		
Cash and bank	35,000	42,000
Temporary Investments	4,000	3,000
Total	5,12,000	5,12,000

Other particulars provided to you are:

(a) Dividends declared and paid during the year ₹17,500.

(b) Land was revalued during the year at ₹1,50,000 and the profit on revaluation transferred to the Profit and Loss Account.

You are required to prepare a Cash Flow Statement for the year ended 31-03-2021

20.a	Describe the objectives of Cash Flow Statement.	6	CO5	BT2
20.b	Sushma Ltd. had the following figures on 1st April, 2020:	10	CO5	BT3

The company made the following estimates for the year 2020–21:

Particulars	₹
Fixed Assets	3,00,000
Less: Depreciation	1,05,000
Bank Balance	1,95,000
Other Current Assets	17,500
Capital (Shares of ₹10 each)	1,25,000
Current Liabilities	50,000
Total	1,50,000

(a) The profit would be ₹27,500 after depreciation of ₹30,000.
(b) The company will pay a dividend of ₹20,000 for the year.
(c) The company will acquire fixed assets costing ₹50,000 after selling one machine for ₹10,000, costing ₹25,000, and on which depreciation provided amounts to ₹17,500.
(d) The current assets and current liabilities other than bank balance at the end of the year are expected to be ₹1,47,500 and ₹1,15,000 respectively.

You are required to prepare a Cash Flow Statement and ascertain the bank balance of Sushma Ltd. for the year ended 31st March, 2021.