



**PRESIDENCY UNIVERSITY, BENGALURU**  
**SCHOOL OF MANAGEMENT**

Max Marks: 80

Max Time: 120 Mins

Weightage: 20 %

**Set B**

**MID TERM EXAMINATION**

I Semester 2016-2017 Course: **MBA A 111 Managerial and Cost Accounting**

26 Oct 2016

**Instructions:**

- i. Write legibly. Avoid false numbering
- ii. Factors considered for evaluation: Conceptual clarity, ability to relate and draw inferences, self-analysis with reasoning and drawing conclusions and relevance of the textual contents

**Part A**

Answer the following Questions

(10 QX 2 M = 20 Marks)

1. Define the term "Cost Accounting".
2. Distinguish between "Costing" and "Cost Accountancy"
3. Differentiate between "Direct Cost" and "Indirect Cost"
4. Distinguish between "Product Cost" and "Period Cost" [ basic difference only]
5. State the Elements of Cost.
6. State the components of "Cost of Production" in a Cost Sheet
7. Distinguish "Cost Objective" and "Objective of Costing"
8. State the various techniques associated with Costing
9. Distinguish between "Cost Ascertainment" and "Cost Estimation"
10. State the components of "Cost Accountancy"

**Part B**

(6 Q X 5 M = 30 Marks)

1. "Costs are classified in a variety of ways". Briefly explain the statement
2. Elucidate briefly on the following
  - a] Cost Control
  - b] Cost Reduction
  - c] Cost Accumulation
3. Discuss the objectives of Cost Accounting
4. Differentiate between the following
  - a] "Cost Allocation" and "Cost Apportionment"
  - b] "Cost Unit" and "Cost Centre"
  - c] "Sunk Cost" and "Opportunity Cost"



5. Discuss briefly the various Methods of Costing.

6. Discuss in detail the “Objectives of Costing”

Part C

(2 Q X 15 M = 30 Marks)

1. The Cost of Sale of a Product X is made up as follows.

Cost Parameters	Amount[Rs]
Materials used in Manufacturing	4,500
Materials used in Packing Materials	2,000
Materials used in Selling the Products	550
Materials used in the Factory	175
Materials used in Office	300
Labour required in producing	2,000
Labour required in supervision of factory management	1,200
Expenses –Direct Factory	800
Expenses -Indirect Factory	1000
Expenses –Office	1250
Depreciation – Office Building and Equipment	750
Depreciation – Factory	2200
Selling Expenses	1350
Freight Outwards	3500
Advertisement	2500

Assuming that all the products manufactured are sold, what should the Selling Price be, to obtain a profit of 20% on the Cost?

2. “The Costs that are associated with a business enterprise are of different dimensions. They can be classified in different ways , depending on the nature of the cost element” Discuss this statement in detail.

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