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PRESIDENCY UNIVERSITY BENGALURU

**SET B**

SCHOOL OF MANAGEMENT

**END TERM EXAMINATION – MAY / JUNE 2024**

**Semester :** Semester IV – 2022

**Course Code :** BBA2006

**Course Name :** Cost and Management Accounting

**Program :** BBA

**Date :** June 18, 2024

**Time :** 09.30am - 12.30pm

**Max Marks :** 100

**Weightage :** 50%

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Question paper consists of 3 parts.*
3. *Scientific and non-programmable calculator are permitted.*
4. *Do not write any information on the question paper other than Roll Number.*

**PART - A**

**ANSWER ANY 5 QUESTIONS 5 X 2 = 10M**

* 1. Name the phases in the cost accounting cycle.
  2. Outline the significance of “Cost Reduction” & “Cost Control”.
  3. Memorize the formula of Halsey premium plan.

(CO1) [Knowledge] (CO2) [Knowledge] (CO3) [Knowledge]

* 1. State two differences between comparative analysis and common size financial statement analysis.

(CO4) [Knowledge]

* 1. List down any four objectives of ratio analysis.
  2. Name the tools of financial statement analysis.
  3. Describe Debt-Equity ratio.

(CO5) [Knowledge] (CO4) [Knowledge] (CO5) [Knowledge]

**PART - B**

**ANSWER ANY 5 QUESTIONS 5 X 10 = 50M**

* 1. You are the owner of "GreenTech Solutions," a small but growing technology company that focuses on sustainable products. You’ve just received your company's cost and management accounting data for the quarter. As you prepare to review this data to make strategic decisions, you realize that various stakeholders might also be interested in this information for different reasons. Explain about the various parties that will be interested with the same data.

(CO1) [Comprehension]

* 1. From the books of accounts of M/S Kavya enterprises, following details have been extracted for the year ending 31st March 2023. You are required to prepare cost sheet for the firm from the below given details.

|  |  |
| --- | --- |
| **Particulars** | **Amount (Rs.)** |
| Opening stock of raw materials | 3,90,000 |
| Closing stock of raw materials | 3,00,000 |
| Materials purchased | 8,40,000 |
| Productive wages | 4,43,000 |
| Unproductive wages | 54,000 |
| Office salary | 2,12,000 |
| Freight outward | 43,000 |
| Machine repair charges | 21,000 |
| Fuel and power | 55,000 |
| Postage expenses | 32,000 |
| Packing expenses | 76,000 |
| Delivery van charges | 54,000 |
| Manager’s salary | 60,000 |
| Factory lighting | 25,000 |
| Office Table | 5,000 |
| Opening stock of finished goods | 2,03,000 |
| Closing stock of finished goods | 1,12,000 |
| Legal charges | 13,000 |

(CO2) [Comprehension]

* 1. The stock of material held on 1-4-2024 was 800 units @ Rs.80 per unit. The following receipts and issues were recorded. You are required to prepare stores ledger account showing how the value of issues would be calculated through FIFO method.

**Date Particulars**

12-4-23 Purchased 200 units @ Rs.70 per unit 13-4-23 Issued 300 units

20-4-23 Purchased 400 units @ Rs.50 per unit 25-4-23 Issued 200 units

26-4-23 Purchased 600 units @ Rs.85 per unit 30-4-23 Issued 500 units

10-5-23 Purchased 700 units @ Rs.50 per unit 12-5-23 Issued 400 units

13-5-23 Issued 300 units

15-5-23 Purchased 600 units @ Rs.60 per unit 12-6-23 Issued 500 units

15-6-23 Purchased 200 units @ Rs.80 per unit

(CO3) [Comprehension]

* 1. The following are the Balance Sheets of Surya Ltd. as on March 31, 2000 and 2001. Prepare a Comparative balance sheet.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **March 31, 2000 (Rs.)** | **March 31, 2001 (Rs.)** |
| Equity and Liabilities 1.Shareholders’ Funds |  |  |
| a)Share capital. | 10,00,000 | 7,50,000 |
| b)Reserve and surplus | 1,50,000 | 2,00,000 |
| 2.Non-current Liabilities Long-term borrowings | 4,50,000 | 3,00,000 |
| 2.Current liabilities Bills payables | 1,50,000 | 1,00,000 |
| **Total** | **17,50,000** | **13,50,000** |
| II. Assets  a) Fixed assets |  |  |
| Tangible assets | 10,00,000 | 7,50,000 |
| Intangible assets | 4,50,000 | 3,00,000 |
| 2. Current assets |  |  |
| Inventories | 1,50,000 | 2,00,000 |
| Cash and cash equivalents | 1,50,000 | 1,00,000 |
| **Total** | **17,50,000** | **13,50,000** |

(CO4) [Comprehension]

* 1. Ms. Suhana is interning in a consulting firm, and she is asked to prepare solvency reports for the previous year by using ratio analysis to study the financial statements. But she is unaware of the ratios to be used for calculating the solvency position of the firm. You as a management accounting expert, explain Ms. Suhana as what ratios to be calculated under solvency with formulas and the way of interpretation with imaginary figures.

(CO5) [Comprehension]

* 1. A worker takes 18 hours to complete a job on daily wages. His hourly rate is Rs.4. The material cost of the product is Rs.8 and factory overheads are recovered at 300% of the total direct wages. Calculate the factory cost of the product under the following methods:

a) Halsey plan b) Rowan plan.

(CO3) [Comprehension]

* 1. Calculate trend percentages for the following particulars of Laura ltd. (Rs. In Lakhs)

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | Year 1 | Year 2 | Year 3 |
| **EQUITY & LIABILITIES:** |  |  |  |
| Shareholders fund | 500 | 550 | 600 |
| Non-current Liabilities | 200 | 250 | 200 |
| Current Liabilities | 100 | 80 | 160 |
| **TOTAL** | **800** | **880** | **960** |
| **ASSETS:** |  |  |  |
| Non-current Assets | 600 | 720 | 780 |
| Current Assets | 200 | 160 | 180 |
| **TOTAL** | **800** | **880** | **960** |

(CO4) [Comprehension]

**PART - C**

**ANSWER ANY 2 QUESTIONS 2 X 20 = 40M**

* 1. The accounts of a machine manufacturing company disclose the following information for the year ending 31st March 2023.

|  |  |
| --- | --- |
| **Particulars** | **Amount (Rs.)** |
| Materials used | 3,00,000 |
| Direct wages | 2,40,000 |
| Work’s overhead | 48,000 |
| Office and administrative expenses | 35,280 |
| Selling & Distribution expenses | 40,000 |

Prepare a cost sheet of the machines and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs.2,500 and expenditure in productive wages of Rs. 1,500, so that the price may yield a profit of 20% on the selling price.

(CO2) [Application]

* 1. The following are the Balance Sheets of Mars Ltd. as on March 31, 2023 and 2024. Prepare a Comparative balance sheet and a Common size balance sheet.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **March 31, 2023 (Rs.)** | **March 31, 2024 (Rs.)** |
| Equity and Liabilities 1.Shareholders’ Funds |  |  |
| a)Equity Share capital. | 40,00,000 | 30,00,000 |
| b)Reserve and surplus | 6,00,000 | 8,00,000 |
| 2.Non-current Liabilities Long-term borrowings | 18,00,000 | 12,00,000 |
| 2.Current liabilities Short term provisions | 6,00,000 | 4,00,000 |
| **Total** | **70,00,000** | **54,00,000** |
| II. Assets  a) Fixed assets |  |  |
| Tangible assets | 40,00,000 | 30,00,000 |
| Intangible assets | 18,00,000 | 12,00,000 |
| 2. Current assets |  |  |
| Stock in trade | 6,00,000 | 8,00,000 |
| Cash at bank | 6,00,000 | 4,00,000 |
| **Total** | **70,00,000** | **54,00,000** |

(CO4) [Application]

* 1. Calculate liquidity ratios and solvency ratios from the following balance sheet of Quarts ltd as on March 31st, 2022.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Note no.** | **Amount** |
| Equity and Liabilities 1.Shareholders’ Funds |  |  |
| a) Equity Share capital. |  | 12,00,000 |
| b) Reserve and surplus |  | 2,00,000 |
| c) Money received against share warrants |  | 1,00,000 |
| 2.Non-current Liabilities |  |  |
| a) Long-term borrowings |  | 4,00,000 |
| b) Other long-term liabilities |  | 40,000 |
| c) Long-term provisions |  | 60,000 |
| 3.Current liabilities |  |  |
| a) Short-term borrowings |  | 2,00,000 |
| b) Trade payables |  | 1,00,000 |
| c) Other current liabilities |  | 50,000 |
| d) Short-term provisions |  | 1,50,000 |
| **Total** |  | **25,00,000** |
| II. Assets  1.Non-current assets |  |  |
| a) Fixed assets |  | 15,00,000 |
| b) Non-current investments |  | 2,00,000 |
| c) Long-term loans and advances |  | 1,00,000 |
| 2.Current assets |  |  |
| a) Current investments |  | 1,50,000 |
| b) Inventories |  | 1,50,000 |
| c) Trade receivables |  | 1,00,000 |
| d) Cash and cash equivalents |  | 2,50,000 |
| e) Short-term loans and advances |  | 50,000 |
| **Total** |  | **25,00,000** |

(CO5) [Application]