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**Presidency University**

**Bengaluru**

**SCHOOL OF COMMERCE**

**Make-Up Examinations July 2024**

**Winter Semester**: IV

**Course Code**: MGT141

**Course Name**: Cost & Management Accounting

**Program & Sem**: BBA

**Date**: 01 JULY 2024

**Time**: 9.30am to 12.30pm

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *The question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FIVE Questions. (5 Q x 2 M = 10 M)**

1. Identify the uses of cost and management accounting information to managers.

(C.O.No.3) [Remember level]

2. Describe management accounting. (C.O.No.5) [Remember level]

3. List out any 4 objectives of cost accounting. (C.O.No.1) [Remember level]

4. Define Costing. (C.O.No.2) [Remember level]

5. If the cost is Rs. 10800 and profit from the sales price is 10%. How much would be the profit on cost and sales value. (C.O.No.2) [Remember level]

6. Describe estimated cost sheet. (C.O.No.4) [Remember level]

7. List any 4 examples of indirect costs in a business organization. (C.O.No.1) [Remember level]

**Part B**

**Answer any FIVE Questions. (5 Q x 10 M = 50 M)**

8. From the books of accounts of M/S Malathi enterprises, the following details have been extracted for the year ending 31st March 2024. You are required to prepare cost sheet for the firm from the below given details.

|  |  |
| --- | --- |
| **Particulars** | **Amount (Rs.)** |
| Opening stock of raw materials | 3,30,000 |
| Closing stock of raw materials | 3,00,000 |
| Materials purchased | 9,00,000 |
| Productive wages | 4,43,000 |
| Office Rent | 2,00,000 |
| Salesmen salaries | 43,000 |
| Postage expenses | 32,000 |
| Packing expenses | 76,000 |
| Factory lighting | 25,000 |
| Office furniture | 5,000 |
| Opening stock of finished goods | 2,03,000 |
| Closing stock of finished goods | 1,12,000 |
| Printing & Stationery | 13,000 |

(C.O.No.2) [Apply level]

9. You are a finance manager at a manufacturing company, and you're hosting a training session for new hires on the principles of cost accounting. Recognizing the importance of understanding the objectives of cost accounting in making informed business decisions, you have to explain the new hires, the concepts thoroughly. (C.O.No.2) [Understand level]

10. Calculate the following ratios from the details given below:

(I) Current Ratio

(ii) Acid Test Ratio

(iii) Operating Ratio

(iv) Gross Profit

Details:

Current Assets = Rs 70000; Net Working Capital = Rs. 30000.

Inventories= Rs. 30000.

Revenue from Operations = Rs. 140000.

Cost of Revenue from Operations = Rs. 68000 (C.O.No.5) [Apply level]

11. Calculate trend percentages for the following particulars of Wim ltd. (Rs. In Lakhs)

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | Year 1 | Year 2 | Year 3 |
| **EQUITY & LIABILITIES:** |  |  |  |
| Shareholders fund | 250 | 275 | 300 |
| Non-current Liabilities | 100 | 125 | 100 |
| Current Liabilities | 50 | 40 | 80 |
| **TOTAL** | **400** | **440** | **480** |
| **ASSETS:** |  |  |  |
| Non-current Assets | 300 | 360 | 390 |
| Current Assets | 100 | 80 | 90 |
| **TOTAL** | **400** | **440** | **480** |

(C.O.No.4) [Apply level]

12. The stock of material held on 1-4-2023 was 400 units @ Rs.50 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 LIFO method.

|  |  |
| --- | --- |
| **Date** | **Particulars** |
| 2-4-23 | Purchased 100 units @ Rs.55 per unit |
| 6-4-23 | Issued 400 units |
| 10-4-23 | Purchased 600 units @ Rs.55 per unit |
| 13-4-23 | Issued 400 units |
| 20-4-23 | Purchased 500 units @ Rs.65 per unit |
| 25-4-23 | Issued 600 units |
| 10-5-23 | Purchased 800 units @ Rs.70 per unit |
| 12-5-23 | Issued 500 units |
| 13-5-23 | Issued 200 units |
| 15-5-23 | Purchased 500 units @ Rs.75 per unit |
| 12-6-23 | Issued 400 units |
| 15-6-23 | Purchased 300 units @ Rs.80 per unit |

(C.O.No.4) [Apply level]

13. ABC company is in need of a cost accounting expert to train the employees on the new cost accounting system to better track and manage its expenses related to manufacturing and development projects. You, as a cost accounting expert, explain the significance and phases of the cost accounting cycle to them. (C.O.No.2) [Understand level]

14. At a quarterly performance review meeting, the management team of a manufacturing company gathers to analyze the company's financial health and strategic direction. The Chief Financial Officer (CFO) leads the discussion, emphasizing the importance of cost and management accounting in driving informed decision-making and operational efficiency. As they delve into the discussion, they reflect on the various users of cost and management accounting within the organization. You as a manager are asked to present on the various users of cost and management accounting and explain it to the management team. (C.O.No.1) [Understand level]

**Part C**

**Answer any TWO Questions. (2 Q x 20 M = 40 M)**

15. From the books of accounts of M/S Kavya enterprises, the 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. (C.O.No.2) [Apply level]

|  |  |
| --- | --- |
| **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 |

16. 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** |

(C.O.No.5) [Apply level]

17. The following are the Balance Sheets of Jay Ltd. as on March 31, 2020, and 2021.  
Prepare a Comparative balance sheet and a Common size balance sheet.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **March 31, 2020 (Rs.)** | **March 31, 2021 (Rs.)** |
| Equity and Liabilities 1.Shareholders’ Funds |  |  |
| a) Share capital. | 20,00,000 | 15,00,000 |
| b) Reserve and surplus | 3,00,000 | 4,00,000 |
| 2.Non-current Liabilities Long-term borrowings | 9,00,000 | 6,00,000 |
| 2.Current liabilities Trade payables | 3,00,000 | 2,00,000 |
| **Total** | **35,00,000** | **27,00,000** |
| II. Assets a) Fixed assets |  |  |
| Tangible assets | 20,00,000 | 15,00,000 |
| Intangible assets | 9,00,000 | 6,00,000 |
| 2. Current assets |  |  |
| Inventories | 3,00,000 | 4,00,000 |
| Cash and cash equivalents | 3,00,000 | 2,00,000 |
| **Total** | **35,00,000** | **27,00,000** |

(C.O.No.4) [Apply level]