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PRESIDENCY UNIVERSITY BENGALURU

**SET A**

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. Define Cost Accountancy.
  2. If cost is Rs.10,000 and profit on cost is 20%. Calculate the sales value.
  3. Memorize the formula of Rowan premium plan.
  4. Reproduce a proforma statement of Trend analysis with imaginary figures.
  5. Recognize any four solvency ratios.
  6. Outline the significance of financial statement analysis.
  7. Define Liquidity Ratios.

(CO1) [Knowledge] (CO2) [Knowledge] (CO3) [Knowledge] (CO4) [Knowledge] (CO5) [Knowledge] (CO4) [Knowledge] (CO5) [Knowledge]

**PART - B**

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

* 1. A large multinational corporation is conducting a training session for new recruits in the finance department to clarify the distinctions between cost accounting, financial accounting, and financial management. Many of the recruits are fresh graduates eager to gain a deeper understanding of these concepts before they begin their roles. As a senior finance executive, explain the new recruits the distinction between the said concepts.

(CO1) [Comprehension]

* 1. From the books of accounts of Ms. Vaishnavi, following details have been extracted for the year ending 31st March 1999. You are required to prepare cost sheet for the firm from the below given details.

|  |  |
| --- | --- |
| **Particulars** | **Amount (Rs.)** |
| Opening stock of raw materials | 6,30,000 |
| Closing stock of raw materials | 3,00,000 |
| Materials purchased | 5,00,000 |
| Direct wages | 5,43,000 |
| Indirect wages | 54,000 |
| Administrative charges | 2,00,000 |
| Bad debts | 43,000 |
| Machine depreciation charges | 33,000 |
| Fuel expenses | 55,000 |
| Office rent | 32,000 |
| Packing expenses | 76,000 |
| Delivery van charges | 54,000 |
| Factory Supervisor’s salary | 24,000 |
| Director’s fees | 36,000 |
| Factory lighting | 25,000 |
| Furniture in office | 10,000 |
| Opening stock of finished goods | 2,03,000 |
| Closing stock of finished goods | 1,12,000 |
| Salesmen salary | 8,000 |

(CO2) [Comprehension]

* 1. 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

(CO3) [Comprehension]

* 1. The following are the Balance Sheets of Sunset Ltd. as on March 31, 2000 and 2001. Prepare a Common size 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. Mr. Vinay is interning in a consulting firm, and he is asked to prepare profitability reports on the management performance for the previous year by using ratio analysis to study the financial statements. But he is unaware of the ratios to be used for calculating the profitability of the firm. You as a management accounting expert, explain Mr. Vinay as what ratios to be calculated under profitability with formulas and the way of interpretation with imaginary figures.

(CO5) [Comprehension]

* 1. A workman takes 9 hours to complete a job on daily wages. His hourly rate is Rs.2. The material cost of the product is Rs.4 and factory overheads are recovered at 150% of the total direct wages. Calculate the factory cost of the product under the following methods:
     1. Halsey plan b) Rowan plan.

(CO3) [Comprehension]

* 1. 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** |

(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 | 1,50,000 |
| Productive wages | 1,20,000 |
| Factory overhead | 24,000 |
| Establishment and general expenses | 17,640 |
| Selling & Distribution expenses | 20,000 |

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.1,250 and expenditure in productive wages of Rs. 750, so that the price may yield a profit of 20% on the selling price.

* 1. 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** |

(CO2) [Application]

(CO4) [Application]

* 1. Calculate liquidity ratios and solvency ratios from the following balance sheet of Bacon ltd as on March 31st, 2024..

**Particulars Note no. Amount**

Equity and Liabilities 1.Shareholders’ Funds

* + 1. Equity Share capital. 24,00,000
    2. Reserve and surplus 4,00,000
    3. Money received against share warrants

1. Non-current Liabilities

2,00,000

* 1. Long-term borrowings 8,00,000
  2. Other long-term liabilities 80,000
  3. Long-term provisions 1,20,000

1. Current liabilities
   1. Short-term borrowings 4,00,000
   2. Trade payables 2,00,000
   3. Other current liabilities 1,00,000
   4. Short-term provisions 3,00,000

**Total 50,00,000**

II. Assets

1. Non-current assets
   1. Fixed assets 30,00,000
   2. Non-current investments 4,00,000
   3. Long-term loans and advances 2,00,000
2. Current assets
   1. Current investments 3,00,000
   2. Inventories 3,00,000
   3. Trade receivables 2,00,000
   4. Cash and cash equivalents 5,00,000
   5. Short-term loans and advances 1,00,000

**Total 50,00,000**

(CO5) [Application]