

Total number of printed pages-7

4(Sem 4) CMAC

2014

COST AND MANAGEMENT ACCOUNTING

(Management Major)

Paper : 405

Full Marks : 80

Time : Three hours

*The figures in the margin indicate full marks
for the questions.*

Answer all the questions as directed.

GROUP-A

(40 Marks)

(Cost Accounting)

1. Answer the following as directed : $1 \times 4 = 4$

- (i) Cost audit report is addressed to the shareholders. (State whether the statement is true or false)

Contd.

(ii) Prime cost + Factory overheads
= _____ . (Complete the blank space.)

(iii) What is overhead rate ?

(iv) What is standard hour ?

2. Answer **any three** questions of the following :

2×3=6

(a) Give *two* examples of semivariable costs.

(b) Give *two* causes of idle time.

(c) Give *two* reasons for over and under absorption of overheads.

(d) Give *two* causes of Material Usage Variance.

3. Write short notes on **any two** of the following :

5×2 =10

(i) Distinction between Cost-Audit & Financial Audit.

(ii) Selling and Distribution Overhead.

(iii) Incremental and decremental costs.

4. Describe the objectives of cost accounting. Highlight the areas in which cost accounting can be treated as an aid to management. 10

Or

"One of the major objectives of a system of material control is to ensure that there is no overstocking and understocking of materials". Discuss.

5. Explain the principles and basis of allocation and apportionment of overheads. 10

Or

From the following information prepare a Cost Sheet for the period ended on 31st March, 2014.

| Particulars | Amount in Rs. |
|---------------------------------|---------------------|
| • Opening stock of raw material | 41000 |
| • Purchase of raw material | 159000 |
| • Closing stock of raw material | 35000 |
| • Direct wages | 44000 |
| • Direct expenses | 20000 |
| • Factory overheads | 50% of direct wages |

- Office & administrative overhead 25% of work cost
- Selling & distribution overhead 40000
- Cost of opening stock of finished goods 40000
- Cost of closing stock of finished goods 20000

Also calculate the volume of sales to earn a profit of Rs. 50000.00

GROUP-B

(40 Marks)

(Management Accounting)

6. Answer the following as directed : 1×4=4

- (i) The term Management Accounting was first used in the year _____. (Fill in the blank)
- (ii) Vertical Analysis is also known as 'Static Analysis'. (State whether the statement is true **or** false)
- (iii) Contribution is the difference between the sales and the total cost of sales. (State whether the statement is true **or** false)
- (iv) How Earnings Per Share (E.P.S) is calculated ?

7. Write short notes on **any three** of the following :

2×3=6

- (a) Budget Manual
- (b) Liquidity Ratio
- (c) Margin of Safety
- (d) Return on Capital Employed.

8. Answer *any two* of the following : $5 \times 2 = 10$

- (a) Nature of management accounting
- (b) Purposes of performance budgeting
- (c) Limitations of financial statement.

9. Explain in detail *five* leading tools and techniques used for analysis of Financial Statement. 10

Or

Discuss the significance and computation of the following ratios : $2\frac{1}{2} \times 4 = 10$

- (i) Return on Investment
- (ii) Debt-Equity Ratio
- (iii) Operating Profit Ratio
- (iv) Stock Turnover Ratio.

10. From the following information find out $4 + 4 + 2 = 10$

- (i) Sales at Break-Even point
- (ii) P/V Ratio

(iii) Margin of Safety

- Sales Rs. 2,60,000/- (at Rs. 20/- per unit)
- Fixed Cost Rs. 80,000/-
- Variable Cost Rs. 10/-

Or

How is a Cashflow Statement prepared as per Indian Accounting Standard ?

State the utility of preparing such a statement.

$5 + 5 = 10$