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Printed Page:-4 **Subject Code:- BBBA0203**

Roll. No:

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

BBA

SEM: II - THEORY EXAMINATION (2025- 2026)

Subject: Cost & Management Accounting

Time: 2.5 Hours **Max. Marks: 60**

General Instructions:

IMP: *Verify that you have received the question paper with the correct course, code, branch etc.*

1. This Question paper comprises of three Sections -A, B, & C. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION-A 15

1. Attempt all parts:-

(1.1) In marginal costing, only _____ costs are considered for product costing. (CO1, K1) 1

(a) Variable
(b) Fixed
(c) Overhead
(d) Sunk

(1.2) Standard costing is primarily used to: (CO2, K2) 1

(a) Determine actual costs
(b) Control costs
(c) Increase fixed costs
(d) Calculate sales price

(1.3) The main purpose of a budget is to: (CO3, K1) 1

(a) Increase costs
(b) Plan and control finances
(c) Reduce taxes
(d) Track only fixed costs

(1.4) Job costing is most suitable for: (CO4, K1) 1

(a) Mass production industries
(b) Continuous process industries
(c) Customized orders
(d) Standardized products

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(1.5) Process costing is most suitable for industries where production is: (CO5, K2) 1

(a) Continuous and homogeneous
(b) Based on specific jobs
(c) Custom-made
(d) Intermittent

2. Attempt all parts:-

(2.1) Define absorption costing. (CO1, K1) 2

(2.2) Describe the purpose of standard costing in an organization. (CO2, K2) 2

(2.3) State two differences between fixed budget and flexible budget. (CO3, K4) 2

(2.4) A job requires direct materials costing $2,000, direct labor costing $1,500, and factory overheads applied at 120% of direct labor. Find the total job cost.(CO4, K3) 2

(2.5) List the steps involved in preparing process accounts.(CO5, K3) 2

SECTION-B 15

3. Answer any three of the following:-

(3.1) A company has fixed costs of $120,000, a selling price of $30 per unit, and variable costs of $18 per unit. 5
1. Calculate the break-even point in units.
2. If fixed costs increase by 10% and variable costs decrease by 5%, calculate the new break-even point in units.(CO1, K3)

(3.2) A company's standard cost for one unit of product requires 4 kg of raw material at a standard price of $12 per kg. During a month, 2,000 units were produced, using 8,400 kg of material at a cost of $11 per kg. (CO2, K3) 5
1.Calculate the material cost variance, material price variance, and material usage variance.
2. Provide a brief interpretation of each variance result.

(3.3) Discuss the different types of budgets used in budgetary control. Explain the role of a master budget in the overall budgetary control process. (CO3, K2) 5

(3.4) For Job C101, the company incurred the following costs:(CO4, K3) 5

Direct Materials: $4,000
Direct Labor: $3,500
Factory Overhead: 75% of direct labor cost.

The company charges a price of $12,000 for Job C101.
Tasks:
1. Calculate the total cost of the job.
2. Determine the profit earned on the job.

(3.5) Describe the application of service costing in a hospital. Prepare a cost sheet showing patient-day costs. (CO5, K2) 5

SECTION-C 30

4. Answer any one of the following:-

(4.1) Evaluate the impact of choosing marginal costing versus absorption costing on a company's tax obligations and financial reporting. (CO1, K5) 6

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(4.2) Illustrate the calculation and interpretation of contribution per unit with imaginary figures. State its benefits in decision-making. (CO1, K3) 6

5. Answer any one of the following:-

(5.1) The standard material cost for a batch of products is 2,000 kg at $5 per kg. The actual material used was 2,100 kg, costing $4.80 per kg.(CO2, K3) 6

1. Calculate the material cost variance, material price variance, and material usage variance.
2. Discuss how the company might address any adverse variances.

(5.2) Illustrate the method to calculate labor variances, including rate, efficiency, and idle time, with a basic example.(CO2, K3) 6

6. Answer any one of the following:-

(6.1) Discuss the role of standard costing in budgetary control. Mention the points when standard costs are used to measure and control performance in an organization. (CO3, K2) 6

(6.2) A company has the following standard cost for its production of 1,000 units:(CO3, K3) 6

Direct Material Cost: $5 per unit
Direct Labor Cost: $8 per unit
Factory Overhead (Variable): $3 per unit
Factory Overhead (Fixed): $6,000 per month

In the current month, the company produced and sold 1,200 units. The actual costs incurred for producing 1,200 units are:

Actual Direct Material Cost: $6,000
Actual Direct Labor Cost: $9,600
Actual Factory Overhead (Variable): $3,800
Actual Fixed Factory Overhead: $6,200
Tasks:
Prepare a flexible budget for 1,000 units.

7. Answer any one of the following:-

(7.1) A company produces 5 batches of 100 units each. The following costs were incurred: (CO4, K3) 6

Direct Materials: $8 per unit
Direct Labor: $5 per unit
Factory Overhead: $4 per unit.
Additionally, setup costs of $1,200 were incurred per batch.
Tasks:
1. Calculate the total cost for all 5 batches.
2. Determine the cost per unit for the entire production.

(7.2) Describe how batch costing is applied in industries like food production, pharmaceuticals, or textiles. Use examples to illustrate its relevance.(CO4, K2) 6

8. Answer any <u>one</u> of the following:-

(8.1) Prepare a comprehensive cost sheet for a hotel, including room occupancy, meal services, and other amenities. (CO5, K3) 6

(8.2) The expenses budgeted for production of 1,000 units in a factory are furnished below: 6

Prepare a budget for production of 600 units and 800 units assuming administrative expenses are rigid for all level of production.

(CO5, K4)

Particulars	**Per Unit Rs.**
Material Cost	700
Labour Cost	250
Variable overheads	200
Selling expenses (20% fixed)	130
Administrative expenses (Rs. 2,00,000)	200
Total Cost	1,480