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Paper Code		
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(To be filled in the OMR Sheet)		

प्रश्नपुस्तिका क्रमांक
Question Booklet No.

O.M.R. Serial No.

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प्रश्नपुस्तिका सीरीज
Question Booklet Series
C

BBA (Fifth Semester) Examination, February/March-2022

BBA-504(N)

Cost & Management Accounting

(for Regular, Ex & B.P. Students)

Time : 1:30 Hours

Maximum Marks-100

जब तक कहा न जाय, इस प्रश्नपुस्तिका को न खोलें

निर्देश : — 1. परीक्षार्थी अपने अनुक्रमांक, विषय एवं प्रश्नपुस्तिका की सीरीज का विवरण यथास्थान सही- सही भरें, अन्यथा मूल्यांकन में किसी भी प्रकार की विसंगति की दशा में उसकी जिम्मेदारी स्वयं परीक्षार्थी की होगी।

2. इस प्रश्नपुस्तिका में 100 प्रश्न हैं, जिनमें से केवल 75 प्रश्नों के उत्तर परीक्षार्थियों द्वारा दिये जाने हैं। प्रत्येक प्रश्न के चार वैकल्पिक उत्तर प्रश्न के नीचे दिये गये हैं। इन चारों में से केवल एक ही उत्तर सही है। जिस उत्तर को आप सही या सबसे उचित समझते हैं, अपने उत्तर पत्रक (O.M.R. ANSWER SHEET) में उसके अक्षर वाले वृत्त को काले या नीले बाल प्वाइंट पेन से पूरा भर दें। यदि किसी परीक्षार्थी द्वारा निर्धारित प्रश्नों से अधिक प्रश्नों के उत्तर दिये जाते हैं तो उसके द्वारा हल किये गये प्रथमतः यथा निर्दिष्ट प्रश्नोत्तरों का ही मूल्यांकन किया जायेगा।

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3. प्रत्येक प्रश्न के अंक समान हैं। आप के जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
4. सभी उत्तर केवल ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर ही दिये जाने हैं। उत्तर पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
5. ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाय।
6. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी प्रश्नपुस्तिका बुकलेट एवं ओ०एम०आर० शीट पृथक-पृथक उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें।
7. निगेटिव मार्किंग नहीं है।

महत्वपूर्ण : — प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्नपुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्ष निरीक्षक को दिखाकर उसी सीरीज की दूसरी प्रश्नपुस्तिका प्राप्त कर लें।

Rough Work / रफ कार्य

1. Given Maximum value of production and minimum value of production is 10,000 and 5000 units respectively. Maximum total cost is ₹25,000 and minimum total cost is ₹15,000. Determine per unit marginal cost and total fixed cost :
 - (A) ₹ 2 per unit, ₹5,000
 - (B) ₹ 5per unit, ₹2,000
 - (C) ₹ 10 per unit, ₹10,000
 - (D) None of the above
2. In two periods total costs amounts to ₹50000 and ₹40000 against production of 20000 and 15000 units respectively. Determine marginal cost per unit and fixed cost :
 - (A) ₹2 and ₹10,000
 - (B) ₹4 and ₹5000
 - (C) ₹10 and ₹8000
 - (D) None of the above
3. Managers utilizes marginal costing for :
 - (A) Make or buy decision
 - (B) Utilization of additional capacity
 - (C) Determination of dumping price
 - (D) All of the above
4. If total cost of 100 units is ₹ 5000 and those of 101 units is ₹ 5030 then increase of ₹ 30 in total cost is :
 - (A) Marginal cost
 - (B) Prime cost
 - (C) All variable overheads
 - (D) None of the above

5. _____ is not suitable where selling price is determined on the basis of cost-plus method.
- (A) Absorption costing
 - (B) Marginal costing
 - (C) Both (A) & (B)
 - (D) None of the above
6. Under absorption costing, managerial decisions are based on :
- (A) Profit
 - (B) Contribution
 - (C) Profit volume ratio
 - (D) None of the above
7. While ascertaining gross profit under absorption costing, only that portion of manufacturing overheads is deducted from sales revenue which is associated with the goods sold :
- (A) True
 - (B) False
 - (C) Can't say
 - (D) Data inadequate
8. Absorption costing is used for :
- (A) Price determination on basis of full cost
 - (B) Solution of separation of costs
 - (C) Calculation of gross and net profit
 - (D) All of the above
9. Under absorption costing, profit is ascertained :
- (A) On the basis of difference between sales and total cost
 - (B) by computation as per desired rate of profit on sales or cost
 - (C) Both (A) & (B)
 - (D) None of the above

10. Which of the following is a conventional method of ascertaining cost ?
- (A) Absorption costing
 - (B) Full Costing
 - (C) Both (A) & (B)
 - (D) None of the above
11. Under applied or over applied factory overhead should be :
- (A) Carried forward to next year
 - (B) Shown as an extraordinary item
 - (C) Apportioned among cost of goods sold and applicable to inventory
 - (D) Written off
12. Ticket counter in a Railway Station is an example of :
- (A) Cost Centre
 - (B) Revenue Centre
 - (C) Profit Centre
 - (D) Investment Centre
13. When sales exceed production (in units) then profit under :
- (A) Marginal costing is higher than that of absorption costing
 - (B) Marginal costing is lower than that of absorption costing
 - (C) Marginal costing is equal than that of absorption costing
 - (D) None of above
14. When sales and production (in units) are same then profit under :
- (A) Marginal costing is higher than that of absorption costing
 - (B) Marginal costing is lower than that of absorption costing
 - (C) Marginal costing is equal to that of absorption costing
 - (D) None of the above

15. The main difference between marginal costing and absorption costing is regarding the treatment of :
- (A) Prime cost
 - (B) Fixed overheads
 - (C) Direct materials
 - (D) Variable overheads
16. Under marginal costing the cost of product includes :
- (A) Prime costs only
 - (B) Prime costs and variable overheads
 - (C) Prime costs and fixed overheads
 - (D) Prime costs and factory overheads
17. Bad debt is an example of_____.
- (A) Distribution overhead
 - (B) Production overhead
 - (C) Selling overhead
 - (D) Administration overhead
18. Economic order quantity is that quantity at which cost of holding and carrying inventory is :
- (A) Maximum and equal
 - (B) Minimum and equal
 - (C) It can be maximum or minimum depending upon case to case
 - (D) Minimum and unequal
19. In 'make or buy' decision, it is profitable to buy from outside only when the supplier's price is below the firm's own_____.
- (A) Fixed Cost
 - (B) Variable Cost
 - (C) Total Cost
 - (D) Prime Cost

20. _____ is a detailed budget of cash receipts and cash expenditure incorporating both revenue and capital items.
- (A) Cash Budget
 - (B) Capital Expenditure Budget
 - (C) Sales Budget
 - (D) Overhead Budget
21. _____ budget is the preparation of budget starting from a clean state.
- (A) Performance
 - (B) Zero Base
 - (C) Cash
 - (D) None of these
22. Audit fees paid to auditors is part of_____.
- (A) Administration Cost
 - (B) Production Cost
 - (C) Selling & Distribution Cost
 - (D) Factory Cost
23. The classification of fixed and variable cost is useful for the preparation of :
- (A) Master budget
 - (B) Flexible budget
 - (C) Cash budget
 - (D) Capital budget
24. Management by exception is exercising control over_____.
- (A) Costs
 - (B) Favourable items
 - (C) Unfavourable items
 - (D) All of these

25. In management accounting, an emphasis and focus must be :
- (A) Future oriented
 - (B) Past oriented
 - (C) Communication oriented
 - (D) Bank oriented
26. Sales budget is a :
- (A) Functional budget
 - (B) Master budget
 - (C) Expenditure budget
 - (D) None of these
27. The scope of cost accounting include_____.
- (A) Cost ascertainment, cost presentation, cost control
 - (B) Tax planning, tax accounting, financial accounting
 - (C) Presentation of accounting information, creation of policy, day-to day operation
 - (D) None of the above
28. A budget which is prepared in a manner so as to give the budgeted cost for any level of activity is known as :
- (A) Master budget
 - (B) Zero base budget
 - (C) Functional budget
 - (D) Flexible budget
29. Statutory cost audit are applicable only to :
- (A) Firm
 - (B) Company
 - (C) Individual
 - (D) Society

30. _____ is a summary of all functional budgets in a capsule form.
- (A) Functional Budget
 - (B) Master Budget
 - (C) Long Period Budget
 - (D) Flexible Budget
31. Management accounting deals with :
- (A) Quantitative information
 - (B) Qualitative information
 - (C) Both (A) and (B)
 - (D) None of the above
32. _____ Accounting is made compulsory by law but _____ Accounting is adopted to increase the overall efficiency without any statutory compulsion.
- (A) Management, Financial
 - (B) Cost, Financial
 - (C) Financial, Management
 - (D) None of the above
33. _____ accounting is concerned with accounting information that is useful to management.
- (A) Financial
 - (B) Cost
 - (C) Management
 - (D) All of the above
34. Which of the following does not form part of prime cost :
- (A) Cost of packing
 - (B) Cost of transportation paid to bring materials to factory
 - (C) GST paid on raw materials (input credit can be claimed)
 - (D) Overtime premium paid to workers

35. Generally, for the purpose of cost sheet preparation, costs are classified on the basis of _____.
(A) Functions
(B) Variability
(C) Relevance
(D) Nature
36. Which of the following is an example of functional classification of cost :
(A) Direct Material Cost
(B) Fixed Cost
(C) Administrative Overheads
(D) Indirect Overheads
37. Distinction between direct cost and indirect cost is an example of _____ classification.
(A) By Element
(B) By Function
(C) By Controllability
(D) By Variability
38. The total of all direct expenses is known as _____ cost.
(A) Prime
(B) Works
(C) Production
(D) Both (A) & (B)
39. Cost of production is equal to _____.
(A) Works cost plus Administration Overheads
(B) Prime cost plus Works Cost
(C) Prime cost plus works overhead
(D) Works overhead plus administration overheads

40. Works cost is a total of _____.
- (A) Indirect material, Indirect labour
 - (B) Direct material, direct labour, direct or chargeable expenses and works expenses
 - (C) Direct material, direct labour
 - (D) Indirect material, Indirect labour, Indirect expenses
41. In element-wise classification of overheads, which one of the following is not included:
- (A) Fixed overheads
 - (B) Indirect labour
 - (C) Indirect materials
 - (D) Indirect expenditure
42. Prime cost + Factory overhead cost is _____.
- (A) Conversion cost
 - (B) Works cost
 - (C) Indirect cost
 - (D) None of given option
43. The cost expended in the past that cannot be retrieved on product or service _____.
- (A) Relevant Cost
 - (B) Sunk Cost
 - (C) Product Cost
 - (D) Irrelevant Cost
44. Overhead refers to :
- (A) Direct or Prime Cost
 - (B) All Indirect costs
 - (C) Only Factory indirect costs
 - (D) Only indirect expenses

45. Element/s of Cost of a product are :
- (A) Material only
 - (B) Labour only
 - (C) Expenses only
 - (D) Material, Labour and expenses
46. Direct Cost incurred can be identified with :
- (A) Each department
 - (B) Each unit of output
 - (C) Each Month
 - (D) Each Executive
47. Find the value of purchases if Raw material consumed ₹90,000; Opening and closing stock of raw material is ₹50,000 and ₹ 30,000 respectively :
- (A) ₹ 10,000
 - (B) ₹ 20,000
 - (C) ₹ 70,000
 - (D) ₹ 1,60,000
48. A chemical process has normal wastage of 10% of input. In a period, 2,500 Kg of material were input and there was abnormal loss of 75 Kg. What quantity of good production was achieved ?
- (A) 2,175 kg
 - (B) 2,250 kg
 - (C) 2,425 kg
 - (D) 2,500 kg
49. If, Cost of Goods sold = ₹50,000, Gross Profit Margin = 25% of sales, what will be the approximate value of Sales ?
- (A) ₹ 2,00,000
 - (B) ₹ 66,667
 - (C) ₹ 62,500
 - (D) None of the given options

50. The Inventory Turnover ratio is 5 times and numbers of days in a year is 365. Inventory holding period in days would be :
- (A) 100 days
 - (B) 73 days
 - (C) 50 days
 - (D) 10 days
51. Beginning goods in process were ₹15,000. The cost of goods manufactured is ₹2,45,000. What is the cost assigned to the ending goods in process ?
- (A) ₹ 15,000
 - (B) ₹ 16,000
 - (C) ₹ 18,000
 - (D) None of the given options
52. Sales are ₹4,50,000. Beginning finished goods were ₹23,000. Ending finished goods are ₹30,000. The cost of goods sold is ₹3,00,000. What is the cost of goods manufactured ?
- (A) ₹ 3,00,000
 - (B) ₹ 2,30,000
 - (C) ₹ 1,93,000
 - (D) None of the given options
53. If Direct Material = ₹12,000; Direct Labour = ₹8000 and other Indirect Overheads = ₹2000. then what will be the Prime Cost ?
- (A) ₹12000
 - (B) ₹ 14000
 - (C) ₹ 20000
 - (D) ₹ 22000

54. The firm's monthly cost of production is ₹1,46,000 at an output level of 8,000 units. If it achieves an output level of 12,000 units it will incur production cost of ₹1,94,000. Cost of production for 15,000 units is :
- (A) ₹ 1,80,000
 - (B) ₹ 2,00,000
 - (C) ₹ 50,000
 - (D) ₹ 2,30,000
55. Sun Ltd. makes a single product which it sells for ₹10 per unit. Fixed costs are ₹48,000 per month and the product has a contribution to sales ratio of 40%. In a period when actual sales were ₹1,40,000. Sun Ltd.'s margin of safety in units was :
- (A) 2,000
 - (B) 6,000
 - (C) 8,000
 - (D) 12,000
56. ABC Ltd. has fixed costs of ₹ 60,000 every year. It manufactures a single product, which it sells for ₹ 20 per unit. Its contribution to sales ratio is 40%. ABC Ltd.'s break-even point in units is :
- (A) 3,000
 - (B) 5,000
 - (C) 7,500
 - (D) None of these
57. Inventory of ₹96,000 was purchased during the year. The cost of goods sold was ₹90,000 and the ending inventory was ₹18,000. What was the inventory turnover ratio for the year ?
- (A) 5.0 times
 - (B) 5.3 times
 - (C) 6.0 times
 - (D) 6.4 times

58. The opening inventory is ₹3,500. The closing Inventory is ₹1,500. Cost of Goods sold is ₹22,000. Calculate the amount of Purchases.
- (A) ₹ 20,000
 - (B) ₹ 24,000
 - (C) ₹ 27,000
 - (D) ₹ 17,000
59. A bus carries 25 passengers daily for 25 days and its mileage per month is 1000 kms. Its passenger miles are _____.
- (A) 30,000
 - (B) 12,500
 - (C) 20,000
 - (D) 25,000
60. Material Usage Variance is Sum of Material Mix Variance and _____.
- (A) Material Yield Variance
 - (B) Material Cost Variance
 - (C) Material Price Variance
 - (D) Material Quantity Variance
61. Average cost method of valuing material issues is suitable when _____.
- (A) Prices rise
 - (B) Prices fall
 - (C) Prices fluctuate considerably
 - (D) None of these
62. First in first out method of valuing material issues is suitable in times of _____.
- (A) Rising prices
 - (B) Falling prices
 - (C) Fluctuating prices
 - (D) None of these

63. If P/V ratio is 40% of sales then what constitutes the remaining 60% of sales :
- (A) Profit
 - (B) Fixed cost
 - (C) Variable cost
 - (D) Margin of safety
64. Factors which can change the break-even point :
- (A) Change in fixed costs
 - (B) Change in variable costs
 - (C) Change in the selling price
 - (D) All of the above
65. The deviations between actual and standard cost is known as :
- (A) Multiple analysis
 - (B) Variable cost analysis
 - (C) Variance analysis
 - (D) Linear trend analysis
66. Salary paid to factory store staff is part of_____.
- (A) Factory Overheads
 - (B) Production Cost
 - (C) Direct Employee Cost
 - (D) Direct Material Cost
67. Depreciation of director's laptop is treated as a part of :
- (A) Administration Overheads
 - (B) Factory Overheads
 - (C) Direct Expenses
 - (D) Research & Development Cost

68. Salary paid to plant supervisor is a part of :
- (A) Direct expenses
 - (B) Factory overheads
 - (C) Quality control cost
 - (D) Administration cost
69. A Ltd. received an order, for which it purchased a special frame for manufacturing, it is a part of :
- (A) Direct Materials
 - (B) Direct Expenses
 - (C) Factory Overheads
 - (D) Administration Overheads
70. The key elements of activity based budgeting are :
- (A) Type of activity to be performed
 - (B) Quantity of activity to be performed
 - (C) Cost of activity to be performed
 - (D) All of the above
71. In activity based costing, costs are accumulated by activity using_____.
- (A) Cost drivers
 - (B) Cost objects
 - (C) Cost pools
 - (D) Cost benefit analysis
72. A cost driver is_____.
- (A) An item of production overheads
 - (B) A common cost which is shared over cost centres
 - (C) Any cost relating to transport
 - (D) An activity which generates costs

73. Under the FSN system of inventory control, inventory is classified on the basis of :
- (A) Volume of material consumption
 - (B) Frequency of usage of items of inventory
 - (C) Criticality of the item of inventory for production
 - (D) Value of items of inventory
74. In which of the following methods, issues of materials are priced at pre-determined rate ?
- (A) Inflated price method
 - (B) Standard price method
 - (C) Replacement price method
 - (D) Specific price method
75. In which of following methods of pricing, costs lag behind the current economic values ?
- (A) Last-in-first out price
 - (B) First-in-first out price
 - (C) Replacement price
 - (D) Weighted average price
76. A taxi provider charges minimum Rs. 80 thereafter Rs. 12 per kilometer of distance travelled, the nature of conveyance cost is _____.
- (A) Fixed Cost
 - (B) Semi-variable Cost
 - (C) Variable Cost
 - (D) Administrative Cost
77. In case product produced or jobs undertaken are of diverse nature, the system of costing to be used :
- (A) Process costing
 - (B) Operating costing
 - (C) Job costing
 - (D) None of the above

78. Processes Costing method is suitable for :
- (A) Transport sector
 - (B) Chemical industries
 - (C) Dam construction
 - (D) Furniture making
79. Cost units used in power sector is :
- (A) Kilo meter (K.M)
 - (B) Kilowatt hour (K Wh)
 - (C) Number of electric points
 - (D) Number of hours
80. Job costing is similar to that under Batch costing except with the difference that a :
- (A) Job becomes a cost unit
 - (B) Batch becomes the cost unit instead of a job
 - (C) Process becomes a cost unit
 - (D) None of the above
81. _____ is anything for which a separate measurement is required.
- (A) Cost unit
 - (B) Cost object
 - (C) Cost driver
 - (D) Cost centre
82. The main types of costing for ascertaining costs do not include :
- (A) Uniform costing
 - (B) Standard costing
 - (C) Marginal costing
 - (D) Historical costing

83. _____ is an extension of job costing.
- (A) Process costing
 - (B) Batch costing
 - (C) Contract costing
 - (D) Operation costing
84. The process costing is not used in one of the following :
- (A) Chemical
 - (B) Textiles
 - (C) Cement
 - (D) Oil refining
85. _____ is the smallest segment of activity or area or responsibility for which costs are accumulated.
- (A) Cost centre
 - (B) Cost driver
 - (C) Cost pool
 - (D) None of the above
86. The total variable cost _____ in total proportion to output.
- (A) Increases
 - (B) Does not increase
 - (C) Decreases
 - (D) None of these
87. The method of costing applied in biscuit industries is _____ costing and in steel industry _____ costing.
- (A) Job, process
 - (B) Job, contract
 - (C) Batch, multiple
 - (D) Process, operation

88. In _____ each job is a cost unit to which all costs are assigned.
- (A) Batch costing
 - (B) Job costing
 - (C) Process costing
 - (D) Operation costing
89. In process costing, a joint product is :
- (A) A product which is later divided into many parts
 - (B) A product which is produced simultaneously with other products and is of similar value to at least one of the other products.
 - (C) A product which is produced simultaneously with other products but which is of a greater value than any of the other products.
 - (D) A product produced jointly with another organization
90. A profit centre is a centre :
- (A) Where the manager has the responsibility of generating and maximising profits
 - (B) Which is concerned with earning an adequate Return on Investment
 - (C) Both of the above
 - (D) Which manages cost
91. Period costs are _____.
- (A) Expensed when the product is sold
 - (B) Included in the cost of goods sold
 - (C) Related to specific period
 - (D) Not expensed
92. The main difference between the profit center and investment center is :
- (A) Decision making
 - (B) Revenue generation
 - (C) Cost in occurrence
 - (D) Investment

93. Opportunity cost is the best example of_____.
- (A) Sunk Cost
 - (B) Standard Cost
 - (C) Relevant Cost
 - (D) Irrelevant Cost
94. The Process of cost apportionment is carried out so that_____.
- (A) Cost may be controlled
 - (B) Cost unit gather overheads as they pass through cost centers
 - (C) Whole items of cost can be charged to cost centers
 - (D) Common costs are shared among cost centers
95. The difference between total revenues and total variable costs is known as_____.
- (A) Contribution margin
 - (B) Gross margin
 - (C) Operating income
 - (D) Fixed costs
96. Fixed cost per unit decreases when_____.
- (A) Production volume increases
 - (B) Production volume decreases
 - (C) Variable cost per unit decreases
 - (D) Variable cost per unit increases
97. Allotment of whole item of cost to a cost centre or cost unit is known as :
- (A) Cost Apportionment
 - (B) Cost Allocation
 - (C) Cost Absorption
 - (D) Machine hour rate

98. Responsibility Centre can be categorised into :
- (A) Cost Centres only
 - (B) Profit Centres only
 - (C) Investment Centres only
 - (D) Cost Centres, Profit Centres and investment Centres
99. Fixed cost is a cost :
- (A) Which changes in total in proportion to changes in output
 - (B) Which is partly fixed and partly variable in relation to output
 - (C) Which do not change in total during a given period despite changes in output
 - (D) Which remains same for each unit of output
100. Which of these is not an objective of Cost Accounting ?
- (A) Ascertainment of Cost
 - (B) Determination of Selling Price
 - (C) Cost Control and Cost reduction
 - (D) Assisting Shareholders in decision making

DO NOT OPEN THE QUESTION BOOKLET UNTIL ASKED TO DO SO

1. Examinee should enter his / her roll number, subject and Question Booklet Series correctly in the O.M.R. sheet, the examinee will be responsible for the error he / she has made.
2. **This Question Booklet contains 100 questions, out of which only 75 Question are to be Answered by the examinee. Every question has 4 options and only one of them is correct. The answer which seems correct to you, darken that option number in your Answer Booklet (O.M.R ANSWER SHEET) completely with black or blue ball point pen. If any examinee will mark more than one answer of a particular question, then the first most option will be considered valid.**
3. Every question has same marks. Every question you attempt correctly, marks will be given according to that.
4. Every answer should be marked only on Answer Booklet (O.M.R ANSWER SHEET). Answer marked anywhere else other than the determined place will not be considered valid.
5. Please read all the instructions carefully before attempting anything on Answer Booklet (O.M.R ANSWER SHEET).
6. After completion of examination please hand over the Answer Booklet (O.M.R ANSWER SHEET) to the Examiner before leaving the examination room.
7. There is no negative marking.

Note: On opening the question booklet, first check that all the pages of the question booklet are printed properly in case there is an issue please ask the examiner to change the booklet of same series and get another one.