BCO-308

Sl.No. :

Total No. of Pages : 4

Third Year B.Com. Degree Examination, May - 2026

(SLM Scheme)

COST AND MANAGEMENT ACCOUNTING

Time : 3 Hours **Max. Marks : 80**

PART - A

Answer any Four Questions. Each Question carries 5 marks. **[4 × 5 = 20]**

Q1) State the assumptions of marginal costing.

Q2) Write the qualities of a Management Auditor.

Q3) Briefly explain the importance of financial statement analysis.

Q4) Write the methods of transfer pricing.

Q5) From the following information find out the profits as per financial accounts:

Profit as per cost accounting ₹28,000

Over absorption of factory overheads in cost accounts ₹3,000

Dividend received ₹8,000

Under absorption of office overhead in cost accounts ₹4,000

Income tax paid ₹1,000

Depreciation as per cost accounts ₹15,000

Depreciation as per financial accounts ₹12,000

Q6) Distinguish between Job costing and Contract costing.

PART - B

Answer any Three Questions. Each Question carries 10 marks. [3 × 10 = 30]

Q7) From the following calculate the total earnings under Halsey and Rowan Plans:

Worker M:

Basic wage rate ₹20 per hour, units produced 2,600 units, time allowed for 100 units 2 hours and time taken 50 hours.

Worker N:

Basic wage rate ₹30 per hour, units produced 3,600 units, time allowed for 100 units 1 hour and time taken 30 hours.

Q8) From the following details, prepare stores ledger account under FIFO method.

March 2025,

1st March, 2025 Opening stock 800 kgs @ ₹10 per kg

5th March, 2025 Purchases 4,000 kgs @ ₹15 per kg

6th March, 2025 Issues 3,000 kgs

10th March, 2025 Purchases 5,500 kgs @ ₹20 per kg

14th March, 2025 Issues 4,000 kgs

18th March, 2025 Issues 3,000 kgs

22nd March, 2025 Purchases 6,000 kgs @ ₹22 per kg

25th March, 2025 Issues 4,500 kgs

27th March, 2025 Purchases 4,000 kgs @ ₹18 per kg

30th March, 2025 Issues 4,000 kgs

Q9) The following information is given to you

a) Current Ratio 2.5
b) Liquidity Ratio 1.5
c) Net Working Capital ₹3,00,000
d) Stock Turnover Ratio: 6 times (cost of sales/closing stock)
e) Gross Profit Ratio 20%
f) Fixed Assets Turnover Ratio 2 times
g) Average Debt Collection Period 2 months
h) Fixed Assets: Shareholders Net worth 1:1
i) Reserve : Share Capital 0.5:1

Draw a balance sheet from the above information.

Q10) Explain the causes for labour turnover?

Q11) Explain the importance of ratio analysis?

PART - C

Answer any Two Questions. Each Question carries 15 marks : [2 × 15 = 30]

Q12) Define Management Accounting. Discuss its objectives, importance and limitations.

Q13) What is financial analysis? Distinguish between horizontal and vertical analysis of financial statement.

Q14) What is cash flow statement? Prepare cash flow statement from the following particulars:

Cash balance on 01-04-2024 ₹26,000
Cash sales ₹1,90,000
Collection from debtors ₹76,000
Payment to creditors ₹45,000
Interest on investments ₹15,000
Interest on debentures ₹24,000
Proceeds from issue of shares ₹2,00,000
Purchases of fixed assets ₹2,60,000
Cash dividend paid ₹80,000
Income tax paid ₹35,000
Expenses paid ₹42,000

Q15) The product of a company passes through 3 district process. The following information is obtained from the accounts for the month ending 31st January 2025.

Particulars	**Process-A**	**Process-B**	**Process-C**
Direct material	7,800	5,940	8,886
Direct wages	6,000	9,000	12,000
Production overheads	6,000	9,000	12,000

3,000 units @ ₹3 each were introduced to process or work in progress. The output of each process passes directly to the rent process and finally to finished stock A/c.

The following additional data is

Process	**Output**	**Percentage of normal loss to input**	**Value of scrap per unit (5)**
Process-I	2,850	5%	2
Process-II	2,520	10%	4
Process-III	2,250	15%	5

Prepare process cost account, Normal Cost Account and Abnormal Gain or Loss Account.

