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Subject code: 5-1-101-25

**SHRI GNANAMBICA DEGREE COLLEGE: MADANAPALLE**  
(AUTONOMOUS)

Four Year Honors Degree Regular Examination January – 2026

Semester - I

Subject: Accounting for Managers

Program: BBA Honors

(Under CBCS New Regulation w.e.f the AY 2025-26)



Duration: 3 Hrs

Max. Marks: 70

Section – A

Answer any four of the following

4\*5=20

1. From the following particulars, Prepare a Statement of Cost and Profit.

- Raw material consumed Rs. 80,000
- Direct Wages Rs. 50,000
- Machine hours worked 10,000 hours
- Machine hour rate Rs. 2 Per hour
- Office Overheads 20% on works cost
- Selling Overheads Rs. 2 Per unit sold
- Units Produced 10,000 Units
- Units Sold 9,000 units at Rs. 25 per unit.

2. Explain the elements of cost with suitable examples.

3. From the following details, calculate Labour cost per day of 8 hours.

- Basic pay Rs.7500 per month
- DA - 50%
- Leave salary 10% of Basic pay & DA
- Contribution to RPF 8% of Basic pay & DA
- Contribution to ESI 4% of Basic pay & DA
- Pro - rata canteen expenses Rs. 775 per month per worker
- Total working hours per month 200.

4. Define Marginal Cost and Marginal Costing. State its advantages.

5. A company manufactures a single product with the following data:

- Selling Price per unit: ₹120
- Variable Cost per unit: ₹72
- Fixed Cost: ₹6,00,000

You are required to calculate:

1. Profit at sales of 12,500 units
2. Contribution per unit
3. P/V Ratio
4. Break-Even Point (units and value)

- 6. Distinguish between Time Rate System and Piece Rate System.
- 7. Explain FIFO method of material issue. State its advantages.

8. The expenses for the production of 5000 units in the factory are given as follows:

Particulars	Amount per unit(Rs)
Material	50
Labour	20
Variable overhead	15
Fixed overhead(Rs 50,000)	10
Administrative expenses (5% variable)	10
Selling expenses (20% fixed)	6
Distribution expenses (10% fixed)	5
Total cost of sales	116

Prepare a Flexible budget for the production of 7000 units

**Section – B**

**Answer any five of the following**

4\*5=20

9. S. K. Brothers wish to approach the bankers for temporary overdraft facility for the period from October 2024 to December 2024. During the period of this period of these three months, the firm will be manufacturing mostly for stock. You are required to prepare a cash budget for the above period.

Month	Sales	Purchases	wages
August	360,000	249,600	24000
September	384,000	288,000	28000
October	216,000	486,000	22000
November	348,000	492,000	20000
December	252,000	536,000	30000

Additional Information:

- I. 50% of credit sales are realized in the month following the sales and remaining 50% in the second following.
- II. Creditors are paid in the month following the month of purchase
- III. Estimated cash as on 1-10-2024 is Rs.50,000

10. Standard Labour hours and rate for production of one unit of Article P is given below:

	Per unit hour	Rate per unit	Total (Rs.)
Skilled Worker	5	1.50	7.50
unskilled Worker	8	0.50	4.00
Semi-skilled worker	4	0.75	3.00

Actual Data and Articles produced is 1,000 units.

	Hour	Rate per Hour	Total (Rs.)
Skilled Worker	4500 hrs	2.00	9,000
unskilled Worker	10,000 hrs	0.45	4,500
Semi-skilled worker	4,200 Hrs	0.75	3,150

Calculate Labour cost variance.

11. The product of a manufacturing concern passes through two processes – Process A and Process B. The following information relates to the month of April 2025:

Process A

- Raw materials introduced: 1,000 units @ ₹10 per unit
- Direct wages: ₹5,000
- Factory overheads: ₹3,000
- Normal loss: 10% of input
- Scrap value of normal loss: ₹4 per unit

Units transferred to Process B: 900 units

Process B

- Units received from Process A: 900 units
- Additional materials: ₹4,500
- Direct wages: ₹4,000
- Factory overheads: ₹2,500
- Normal loss: 5% of input
- Scrap value of normal loss: ₹6 per unit

Units transferred to Finished Goods: 850 units

12. A company produces two products X and Y.

Particulars	Product X	Product Y
Selling Price per unit	50	40
Variable Cost per unit	30	20
Sales Mix (units)	3	2

Fixed Cost: ₹5,00,000

Calculate:

1. Contribution per unit of each product
2. Composite P/V Ratio
3. Break-Even Point (in units and value)
4. Profit if total sales are ₹30,00,000

13. Define job costing and explain the different features of job costing.

14. From the following particulars taken from the cost records of Jasprith Ltd. For the year ending 31-03-2019 prepare a statement of cost and profit.

Particulars	Amount	Particulars	Amount
Opening stock of raw materials	50,000	Printing & Stationery	1,000
Purchases of raw materials	1,60,000	Repairs (Factory)	6,400
Closing stock of raw materials	80,000	Other expenses (Factory)	5,000
Productive wages	1,50,000	Management expenses	24,000
General Wages(factory)	20,000	Travelling Expenses	2,200
Direct expenses	40,000	Showroom expenses	2,000
Rent, rates and taxes (factory)	10,000	Carriage outwards	2,000
Rent, rates and taxes (Office)	1,000	Carriage inwards	9,000
Depreciation of Plant & Mach.	3,000	Expenses on purchases	1,000
Salary (office)	5,000	Advertisement	4,000
Salary (Travelling)	4,000	Advance Income Tax	30,000
Office cleaning and lighting	800	Sales	4,60,000

**Additional information:**

Management Expenses should be allocated in the ratio of 2:1:3 on factory, office and selling division.

15. Discuss the different types of budgets prepared by a manufacturing organization.
16. Pranav Ltd., uses copper wire as a raw material which is purchased from the market as and when necessary. The following particulars are available in respect of the transactions for January.
- 1st Jan Opening balance 300 kgs at ₹. 25 per kg.
- 3rd Jan Purchased 500 kgs at ₹. 26.60 per kg.
- 4th Jan Issued 220 kgs
- 10th Jan Issued 440 kgs
- 20th Jan Purchased 490 kgs at ₹. 23 per kg.
- 25th Jan Issued 300 kgs
- 27th Jan Surplus 20 kgs returned to stores out of quantity issued on 4th January.
- There was a shortage of 25 kgs on 15th January. Prepare stores ledger for the above transactions under LIFO.
17. Explain in detail the meaning and scope of Cost Accounting. How does it differ from Financial Accounting?
18. From the data given below. Obtained from the books of M/s Anitha & Co., for the year ended 31<sup>st</sup> Dec 2010, Prepare (1) Consolidated completed jobs account showing the profit or loss; and (2) Consolidated work in progress account.

	COMPLETED JOBS (Rs)	WORK IN PROGRESS (Rs)
Raw material supplied from Stores	9,000	3,000
Chargeable expenses	1,000	400
Wages	10,000	4,000
Material transferred to work in progress	200	200
Material returned to stores	100	---

Factory overhead is 80% of wages & office overhead 25% of factory cost. The value of executed jobs during 1998 was Rs 41000.