Dr. Babasaheb Ambedkar Open University

Term End Examination July-2016

Course	**: BBAIB**		
Subject Code	**: BBAIB – 306**	**Duration**	**: 03 hours**
Subject	**: Cost & Management Accountancy**	**Total Marks:**	**70**
Date	**:**	**Time**	**:**

Section – A: Answer the following (any three) (30)

1. Explain the difference between Financial Accounting and Cost Accounting.
2. What is attendance? Explain the methods of recording attendance.
3. What is the difference between absorption costing and marginal costing?
4. Explain accounting of Administration overheads.
5. What is overheads? Explain classification of overheads.

Section – B: Answer the following (any four) (20)

1. Explain Break-even Analysis.
2. Discuss – Maximum Level
3. In one company there were 1,194 employees on 1st January, 2015. During the month 48 employees left and 60 employees were engaged of which 48 were employed due to expansion scheme. The number of employees on 30th June, 2015 were 1,206.
   Calculate the Labour Turnover Rate under Replacement Method and Flux Method. Also determine the Equivalent Annual Rate.
4. What is fixed overhead spending variance?
5. Explain allocation and Apportionment of overheads.
6. Discuss – The Johnson Model

Section – C:

(1) Explain following Terms: (10)

1. Profit-Volume Ratio
2. Direct labour hour rate
3. Flexible budget
4. Time-booking
5. Discretionary Cost

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(2) Give the correct answer for the following questions (10)

1. Which one is not an objective of cost accounting from the following statement?
    a. Ascertainment of cost
    b. Determination of selling price
    c. Determination of tax and shareholders' dividend
    d. Assisting management in decision making
2. Which of the following is not an advantage of using LIFO Method?
    a. Profits are not realistic
    b. Material cost represents actual cost
    c. It is useful under inflationary conditions
    d. Closing stock values are more realistic
3. Which one of the following is not considered an 'Incentive wage system'?
    a. Halsey plan
    b. Piece wage system with minimum guaranteed wages
    c. Rowan plan
    d. Group bonus or Profit sharing plan
4. From the following methods which one is not a method of absorption of overheads?
    a. Percentage of Total cost method
    b. Percentage of Materials method
    c. Percentage of Prime Cost method
    d. Percentage of Wages method
5. Marginal costing technique is frequently used for ….
    a. Long-term decision making
    b. Short-term decision making
    c. Medium-term decision making
    d. None

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