



UNIVERSITY OF NORTH BENGAL

BBA 2nd Semester Examination, 2020

COST AND MANAGEMENT ACCOUNTING

COURSE-203

Full Marks: 100

ASSIGNMENT

The figures in the margin indicate full marks.

Answer any two Assignments

50×2 = 100

Each Assignment carries 50 marks

Assignment 1

- (a) “Financial accounting treats costs very broadly while the cost accounting does this in much greater detail”. Explain this statement and state the limitations of financial accounting. 25
- (b) “Management accounting is concerned with accounting information which is useful to management”. Comment. 25

Assignment 2

- (a) A plastic factory buys and uses a component for production at Rs. 10 per unit. Annual requirement is 20,000 units. The carrying cost of inventory is 10% per annum and ordering cost is Rs. 40 per order. The purchase manager argues that as the ordering cost is very high, it is advantageous to place a single order for the entire annual requirement. He also says that if we order 20,000 units at a time, we can get a 3% discount from the supplier. You are required to evaluate this proposal and make your recommendations. 25
- (b) Calculate the normal and overtime wages payable to a workman from the following data: Days Hours worked as 25
- Monday 8 hrs., Tuesday 10 hrs., Wednesday 9 hrs., Thursday 11 hrs., Friday 9 hrs., Saturday 4 hrs.
- Normal rate - Rs. 5.00 per hour
- Normal working hours - 8 hours per day
- Overtime rate - Up to 9 hours in a day at single rate and over 9 hours in a day at double rate;

OR

Up to 48 hours in a week at single rate and over 48 hours at double rate, whichever is more beneficial to the workmen.

Assignment 3

- (a) The following information has been collected from the cost records of a small company for the year ended 31st March, 2014: 25

Direct Materials Rs. 2,50,000

Direct Labour Rs. 2,00,000

Direct Expenses Rs. 20,000

Works Overheads Rs. 1,60,000

Office Expenses Rs. 94,500

The total number of direct labour hours were 1,00,000 involving 40,000 machine hours. What should be the price quoted for a job involving 2,000 labour hours @ Rs. 3 per hour, 1,000 machine hours and Rs. 10,000 in direct materials if the profit desired is 20% on the selling price?

- (b) The following data relate to a manufacturing company: 25

Plant capacity: 4,00,000 units per annum

Present utilisation: 40%

Actuals for the year were: Selling price Rs. 50 per unit

Materials cost Rs. 20 per unit

Variable manufacturing costs Rs. 15 per unit

Fixed costs Rs. 27 Lakhs

In order to improve capacity utilisation, the following proposals are being considered:

Reduce selling price by 10%. Spend additionally Rs. 3 lakhs on sales promotion. How many units should be made and sold in order to earn a profit of Rs. 5 lakhs per year?

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