

KAMARAJ COLLEGE (Autonomous)

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(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

(4 Pages)

Reg. No:.....

Question Code: 26E02604

Course Code: 24UMBA22/25UMBA22/

25UMDM22

UG Degree - End Semester Examinations, April 2026

Second Semester

B.B.A /B.B.A DIGITAL MARKETING

Cost and Management Accounting

(For those who joined in July 2024 and June 2025 onwards)

Time : 3 Hours

Maximum : 75 Marks

PART - A (10 × 1 = 10 Marks)

Answer ALL Questions

Choose the correct answer :

CO:1 1. Cost accounting is mainly concerned with

- K:1
- (a) Recording transactions (b) Ascertainment of cost
(c) Preparation of balance sheet (d) Tax computation

CO:1 2. Prime cost includes

- K:1
- (a) Direct material and overheads (b) Direct labour and overheads
(c) Direct material, direct labour and direct expenses (d) Factory cost

CO:2 3. Management accounting is primarily used for

- K:1
- (a) External reporting (b) Statutory compliance
(c) Managerial decision making (d) Audit purpose

CO:2 4. Trend analysis shows

- K:2
- (a) Absolute figures (b) Percentage to base year
(c) Direction of change over time (d) Current position only

CO:3 5. Current ratio is a

- K:1
- (a) Profitability ratio (b) Solvency ratio
(c) Liquidity ratio (d) Turnover ratio

- CO:3 6. Net profit ratio indicates
K:2 (a) Liquidity (b) Cost control
(c) Overall profitability (d) Capital structure
- CO:4 7. A budget prepared for different activity levels is called
K:1 (a) Fixed budget (b) Sales budget
(c) Cash budget (d) Flexible budget
- CO:4 8. Budgetary control mainly helps in
K:2 (a) Profit sharing (b) Tax planning
(c) Planning and control (d) Cost audit
- CO:5 9. Contribution is equal to
K:1 (a) Sales – Fixed cost (b) Sales – Total cost
(c) Sales – Variable cost (d) Profit + Fixed cost
- CO:5 10. Break-even point is the point where
K:2 (a) Profit is maximum (b) Loss is minimum
(c) Total cost equals total sales (d) Contribution is zero

PART - B (5 X 5 = 25 Marks)

Answer ALL Questions choosing either (a) or (b).

Answer should not exceed 250 words.

- CO:1 11. (a) Explain the meaning, nature and scope of Cost Accounting.

K:3 **(OR)**

- (b) Discuss the importance and limitations of Cost Accounting.

- CO:2 12. (a) Distinguish between Cost Accounting and Management Accounting.

K:3

(OR)

- (b) Distinguish between Management Accounting and Financial Accounting.

- CO:3 13. (a) Calculate Current Ratio and Quick Ratio from the following data:

K:3

Current Assets ₹4,50,000; Inventory ₹1,20,000; Current Liabilities ₹2,25,000.

(OR)

- (b) Discuss the classification of ratios with suitable examples.

CO:4 14. (a) Prepare a Cash Budget for January, February and March 2026 using the following data:
K:4

Particulars	Jan (₹)	Feb (₹)	Mar (₹)
Opening balance	25,000	—	—
Cash sales	1,20,000	1,40,000	1,60,000
Cash purchases	60,000	70,000	80,000
Wages	20,000	22,000	24,000
Rent	10,000	10,000	10,000

(OR)

(b) Narrate the objectives, merits and demerits of Budgetary Control.

CO:5 15. (a) Give the concept, features and assumptions of Marginal Costing.
K:3

(OR)

(b) Explain Break even analysis and its assumption .

PART - C (5 X 8 = 40 Marks)

Answer ALL Questions choosing either (a) or (b).

Answer should not exceed 500 words.

CO:1 16. (a) Prepare a Cost Sheet from the following data and comment on cost structure:
K:4

Direct Material ₹2,00,000

Direct Labour ₹1,20,000

Direct Expenses ₹30,000

Factory Overheads ₹80,000

Office Overheads ₹60,000

Selling & Distribution Overheads ₹40,000

Units produced: 10,000

(OR)

(b) Analyze the importance of cost concepts in managerial decision-making.

CO:2 17. (a) Explain the methods of Financial Statement Analysis.
K:4

(OR)

- (b) Prepare a Common Size Balance Sheet from the following data:

Liabilities	₹	Assets	₹
Equity Share Capital	5,00,000	Fixed Assets	6,00,000
Reserves	1,00,000	Current Assets	3,00,000
Current Liabilities	3,00,000		

- C0:3 18. (a) Calculate the following ratios using the data given:

K:4

Current Ratio, Gross Profit Ratio, Debt–Equity Ratio.

Sales ₹10,00,000

Gross Profit ₹2,50,000

Current Assets ₹4,00,000

Current Liabilities ₹2,00,000

Long-term Debt ₹3,00,000

Shareholders' Funds ₹5,00,000

(OR)

- (b) Elucidate the interpretation, benefits and limitations of Ratio Analysis.

- C0:4 19. (a) Critically examine budgets as an effective tool of planning and control.

K:5

(OR)

- (b) Describe about Sales Budget, Production Budget and Flexible Budget.

- C0:5 20. (a) From the following information, calculate:

K:5

(i) Contribution per unit

(ii) Break-even point (units)

(iii) Sales required to earn a profit of ₹1,20,000

Selling price per unit ₹60

Variable cost per unit ₹36

Fixed cost ₹2,40,000

(OR)

- (b) Enumerate the CVP analysis and its significance in business decision-making.