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Reg.No :

Name :

MAHATMA GANDHI UNIVERSITY, KOTTAYAM
MGU-BBA(HONOURS) REGULAR EXAMINATION OCTOBER 2025
THIRD SEMESTER

Core Course (CCR) MG3CCRBBA201 - COST AND
MANAGEMENT ACCOUNTING

(2024 ADMISSION ONWARDS)

Duration: 2 Hours

Maximum Marks: 70

Remember(K), Understand(U), Apply(A), Analyse(An), Evaluate(E), Create(C), Skill(S), Interest(I)
and Appreciation(Ap)

Students should attempt at least one question from each course outcome to enhance their overall outcome attainability.

Part A

Short Answer Questions(four to five sentences)

A choice between two options for each question, answer five short answer questions, one from each pair

1a. Distinguish between cost accounting and financial accounting based on purpose and users. [U] / [CO1]

OR

1b.. What are the different types of overhead? Give two examples of each. [K] / [CO1]

2a. How does financial statement analysis help in assessing a firm's liquidity? [U] / [CO2]

OR

2b. Differentiate between comparative and common-size financial statements. [U] / [CO2]

3a. Net Profit after Tax is ₹1,20,000 and Sales are ₹10,00,000. Calculate Net Profit Ratio. [A] / [CO3]

OR

3b. Explain the significance of the Debt-Equity Ratio in financial analysis. [U] / [CO3]

- 4a. Explain the term cash flows from investing activities with suitable examples. [U] / [CO4]

OR

- 4b. Which statement (Cash Flow or Fund Flow) is more suitable for short-term analysis? Why? [U] / [CO4]

- 5a. How can you find profit using the marginal cost equation? [K] / [CO4]

OR

- 5b. What is the main objective of a budget? [K] / [CO4]

[5x3 = 15]

Part B

Short Essay

A choice between two options for each question, answer three short essay questions, one from each pair

- 6a. Prepare a Comparative Income Statement of Sintex Manufacturing Ltd. and interpret the expense control efficiency. [An] / [CO2]

Particulars	2022 (Rs''000)	2023 (Rs''000)
Revenue from Operations	1,800	2,200
Other Income	120	150
Total Revenue	1,920	2,350
COGS	1,100	1,350
Gross Profit	820	1,000
Operating Expenses	400	500
EBIT	420	500
Interest	80	100
PBT	340	400
Tax	102	120
PAT	238	280

OR

- 6b. Explain the significance of financial analysis to various stakeholders. [U] / [CO2]

- 7a. Units sold = 3,000 [A] / [CO4]
 Selling Price per unit = ₹100
 Variable Cost per unit = ₹70
 Fixed Cost = ₹75,000

Calculate:

- a) Total Sales; b) Total Variable Cost; c) Contribution; d) Profit / Loss

OR

7b. Compare Zero-Based Budgeting (ZBB) with Activity-Based Budgeting (ABB), highlighting their applications. [U] / [CO4]

8a. Explain the concept of marginal costing. In what ways is it useful for business decisions? [U] / [CO4]

OR

8b. Discuss the role of Fund Flow Statement in financial planning and control. [U] / [CO4]

[3x5 = 15]

Part C

Long Essay

A choice between two options for each question, answer two long essay questions, one from each pair

9a. From the following information, prepare a cost sheet for Ram Manufacturing Ltd, bringing out the various components of cost: [A] / [CO1]

- a) Material Consumed
- b) Prime Cost
- c) Work Cost
- d) Cost of Production
- e) Cost of Goods sold
- f) Cost of Sales
- g) Profit

	01-01-2024	31-12-2024
Stock of Raw Material	60,000	50,000
Stock of Work-in-progress	13,000	15,000
Stock of Finished Goods	70,000	80,000
Purchase of Raw Material		1,90,000
Direct wages		60,000
Factory Overhead		30,000
Administration Overhead		50,000
Selling and Distribution Overhead		65,000
Units Produced and Sold - 20000 units @20		

OR

9b. Explain in detail the advantages and limitations of: (a) Financial accounting (b) Cost accounting (c) Management accounting [K] / [CO1]

10a. Balance Sheet of Alpha Manufacturing Ltd. as on 31st March 2025 is given below:

[An] /

Liabilities	Amount (₹ in '000)	Assets	Amount (₹ in '000)
Equity Share Capital	1,80,000	Fixed Assets	3,00,000
Reserves and Surplus	85,000	Inventory	1,00,000
12% Debentures	1,15,000	Sundry Debtors	80,000
Long-term Loans	80,000	Bills Receivable	40,000
Sundry Creditors	60,000	Cash in Hand	20,000
Bills Payable	30,000	Cash at Bank	20,000
Outstanding Expenses	10,000	Prepaid expenses	10,000
Bank Overdraft	10,000		
Total	5,70,000	Total	5,70,000

[CO3]

Based on the above Balance Sheet:

- i) Analyse and interpret the company's long-term solvency using Debt-Equity Ratio and Proprietary Ratio.
- ii) Analyse the short-term liquidity position of the company using Current Ratio and Liquid Ratio.

OR

10b.

From the following information, calculate:

[A] /

- (i) Inventory Turnover Ratio
- (ii) Trade Receivables Turnover Ratio
- (iii) Average Debt Collection Period
- (iv) Gross Profit Ratio

[CO3]

Trading Account details:

- Opening Stock = Rs. 14,000
- Purchases = Rs. 58,000
- Purchase Returns Rs. 8,000
- Carriage = Rs. 2,000
- Wages = Rs. 38,000
- Sales = Rs. 1,04,000
- Sales Returns Rs. 4,000
- Closing Stock = Rs. 44,000
- Gross Profit = Rs. 40,000
- **Additional Information:** Closing Debtors = Rs. 30,000

[2x20 = 40]