Satyug Darshan Institute of Engineering & Technology, Faridabad

Department of Management Studies

Academic year 2025-26

Programme: BBA General	**Year & Semester**: 2ndYear & 4thSemester
Course Name: Cost and Management Accounting	**Course Code:** BBG-102-V
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Unit I

Short answer questions

Q.N.	Question	KL
1	Define "Cost" and "Costing" as per ICMA terminology.	1
2	List four main objectives of implementing a Cost Accounting system in a manufacturing unit.	1
3	Explain the concept of "Economic Order Quantity" (EOQ) with its basic formula.	2
4	Distinguish between a 'Bin Card' and a 'Stores Ledger'.	4
5	State the meaning of ABC Analysis in inventory control.	2

Long answer questions

Q.N.	Question	KL
1	"Financial accounting is post-mortem, whereas cost accounting is a continuous process." Compare and contrast Financial Accounting and Cost Accounting in light of this statement.	4
2	Demonstrate a proforma of a Cost Sheet and explain each component from Prime Cost to Total Cost.	3
3	Discuss the various methods of pricing material issues (FIFO, LIFO, and Weighted Average). In which market conditions is LIFO most suitable?	2
4	Analyze the different levels of material control (Maximum, Minimum, Re-order, and Danger levels) and explain their importance in avoiding stock-outs.	4
5	Describe the essential steps involved in a standard material purchase procedure, from requisition to payment.	2

Unit II

Short answer questions

Q.N.	Question	KL
1	Define "Idle Time" and give two examples of normal idle time.	1
2	Explain the term "Labor Turnover". State one common cause.	2
3	Explain the term "Overhead Absorption".	2
4	Define "Job Costing" and name two industries where it is applicable.	1
5	Distinguish between Time Keeping and Time Booking.	4

Long answer questions

Q.N.	Question	KL
1	Explain the classification of overheads based on function, behavior, and element. Provide examples for each.	2
2	Discuss the methods of re-apportionment of service department costs to production departments (Direct, Step-ladder, and Reciprocal methods).	2
3	Compare the features of Unit Costing and Batch Costing. Under what circumstances would a manager prefer Batch Costing?	4
4	Develop a strategy for a factory manager to control rising labor costs without reducing the quality of output.	6

Unit III

Short answer questions

Q.N.	Question	KL
1	Define Management Accounting.	1
2	Explain "Profit Centre" in Responsibility Accounting.	2
3	Explain the concept of "Break-Even Point".	2
4	Describe the meaning of "Margin of Safety".	2
5	List three limitations of Management Accounting.	1

Long answer questions

Q.N.	Question	KL
1	Discuss the scope and importance of Management Accounting in modern corporate decision-making.	2
2	Differentiate between Marginal Costing and Absorption Costing. Which method provides a more accurate picture for short-term decision-making?	4
3	Explain the concept of Responsibility Accounting. How does it help in performance evaluation through Cost, Revenue, and Investment Centres?	2
4	Evaluate the role of a Management Accountant as a "Service Provider" and "Decision Support" in a large-scale organization.	5
5	Formulate a brief report on how "Contribution" analysis helps a manager decide whether to "Make or Buy" a specific component.	6

Unit IV

Short answer questions

Q.N.	Question	KL
1	Explain two primary objectives of Financial Statement Analysis	2
2	Define "Current Ratio" and state its ideal value.	1
3	Explain the term "Trend Analysis"	2
4	Explain "Common Size Statement"	2
5	Describe Solvency Ratios and Liquidity Ratios.	2

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Long answer questions

Q.N.	Question	KL
1	Explain the various techniques of Financial Statement Analysis (Comparative, Common Size, and Trend Analysis) with their respective merits.	2
2	Analyze the significance of Ratio Analysis. How do Profitability Ratios differ from Activity (Turnover) Ratios in terms of what they reveal to investors?	4
3	Illustrate the procedure for calculating "Funds from Operations" in a Fund Flow Statement.	3
4	Evaluate the limitations of using historical financial statements for predicting the future performance of a company.	5
5	Given a Balance Sheet, calculate and interpret the Debt-Equity Ratio and Return on Investment (ROI) to assess the firm's long-term financial health.	3