



Yogoda Satsanga Mahavidyalaya

(Established in 1967)

NAAC Accredited B++ (CGPA 2.89)

Affiliated to Ranchi University & registered under 2 (F) & 12 (B) of UGC Act



BBA SEMESTER-2

PAPER NAME- COST & MANAGEMENT ACCOUNTING

PAPER CODE- C4

Short Answer Questions. (5 Marks)

1. Define cost accounting and management accounting.
2. Explain the difference between direct costs and indirect costs.
3. What is the purpose of cost allocation in cost accounting?
4. Discuss the different methods of cost allocation, such as the direct method and step-down method.
5. Explain the concept of cost behaviour and distinguish between fixed costs and variable costs.
6. What is the contribution margin ratio, and how is it calculated?
7. Discuss the role of cost-volume-profit analysis in managerial decision-making.
8. Explain the concept of relevant costs and irrelevant costs in decision-making.
9. What is a cost driver, and why is it important in activity-based costing?
10. Describe the process of job costing and its application in cost accounting.
11. Discuss the advantages and disadvantages of using standard costing in management accounting.
12. Explain the concept of variance analysis and its significance in cost management.
13. What is the difference between absorption costing and variable costing?
14. Discuss the purpose and benefits of budgeting in management accounting.
15. Explain the concept of activity-based costing (ABC) and its advantages over traditional costing methods.
16. What is the difference between incremental analysis and comprehensive analysis in decision-making?
17. Discuss the role of cost control and cost reduction in cost management.
18. Explain the concept of transfer pricing and its impact on multinational corporations.
19. What is the purpose of performance measurement and key performance indicators (KPIs) in management accounting?
20. Discuss the ethical considerations in cost and management accounting.
21. What is the primary objective of cost accounting?
22. Define cost behavior and give an example of a variable cost.



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23. What is the difference between direct costs and indirect costs?
24. Explain the term "cost allocation."
25. Define cost centre and give an example.
26. What is a standard cost?
27. Explain the concept of cost variance.
28. Define contribution margin.
29. What is the break-even point?
30. Explain the term "relevant cost."
31. Define absorption costing.
32. What is a cost driver?
33. Explain the concept of activity-based costing (ABC).
34. Define target costing.
35. What is a cost-volume-profit (CVP) analysis?
36. Explain the term "opportunity cost."
37. Define marginal costing.
38. What is the difference between job costing and process costing?
39. Explain the term "activity-based management (ABM)."
40. Define the term "cost of goods manufactured (COGM)."

Long Answer Questions. (15Marks)

1. **Explain the concept of cost accounting and its significance in managerial decision-making. Discuss the various methods and techniques used in cost accounting to help businesses control costs and improve profitability.
2. **Describe the steps involved in job costing, including the allocation of direct and indirect costs to individual jobs. Provide an example of a business where job costing would be applicable and discuss the advantages and limitations of this costing method.
3. **Discuss the differences between absorption costing and variable costing. Explain how each method treats fixed manufacturing overhead costs and discuss the impact on inventory valuation and profit reporting.



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- 4.**Explain the concept of activity-based costing (ABC) and its advantages over traditional costing methods. Discuss the steps involved in implementing ABC and provide examples of situations where ABC would be beneficial.
- 5.**Discuss the concept of cost behavior and its implications for decision-making. Explain the difference between fixed costs, variable costs, and mixed costs, and provide examples of each.
- 6.**Explain the role of cost-volume-profit (CVP) analysis in managerial decision-making. Discuss how CVP analysis can be used to assess the relationship between costs, volume, and profitability, and provide examples of its application.
- 7.**Describe the process of budgeting and its importance in planning and control. Discuss the different types of budgets, such as operating budgets, financial budgets, and master budgets, and explain how they are prepared and used by businesses.
- 8.**Discuss the concept of standard costing and its role in performance measurement and control. Explain how standard costs are set, how they are used to calculate variances, and how variances are interpreted and analyzed.
- 9.**Explain the concept of cost allocation and its importance in determining the full cost of products or services. Discuss different methods of cost allocation, such as direct allocation, step-down allocation, and reciprocal allocation, and provide examples of each.
- 10.**Discuss the concept of cost management and its role in improving business performance. Explain how cost management techniques, such as target costing, value engineering, and activity-based management, can help businesses reduce costs and increase profitability.
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