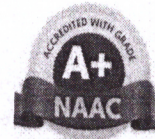




**SHRI GNANAMBICA DEGREE COLLEGE MADANAPALLI
(AUTONOMOUS)**

SEMESTER-I

**COURSE 1: ACCOUNTING FOR MANAGERS
(W.E.F.2025-2026)**



PROGRAM – BBA Honors

Theory

Credits: 4

4hrs/week

Course Objectives

This course is designed to:

- Familiarize students with the fundamental principles and concepts of accounting.
- Equip learners with the skills to prepare and interpret financial statements.
- Help students use accounting information for managerial decision-making.
- Provide practical exposure to cost and management accounting tools.
- Develop analytical skills for financial statement analysis and budgeting.

Course Outcomes (COs)

Upon completion of this course, students will be able to:

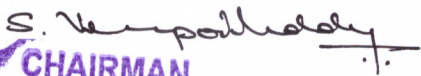
- CO1:** Understand the principles of financial and managerial accounting.
- CO2:** Prepare and interpret basic financial statements.
- CO3:** Apply cost accounting techniques in managerial contexts.
- CO4:** Use financial information for decision-making and control.
- CO5:** Analyze financial statements for assessing organizational performance

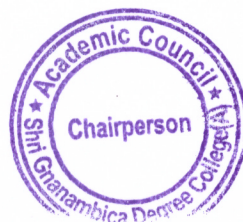
Unit 1: Cost Concepts and Classification

Meaning of Cost and Cost Accounting - Elements of Cost: Direct Material, Direct Labour, Direct Expenses, and Overheads - Cost Classification: Fixed, Variable, Semi-variable Functional Classification of Costs - Preparation of Cost Sheet

Unit 2: Material and Labour Cost:

Material: Techniques of Inventory Control – Valuation of Material Issues: FIFO - LIFO Weighted Average Methods. (including Simple problems)


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Labour: Direct and Indirect Labour Cost – Methods of Payment of Wages- Incentive Schemes -Time Rate Method, Piece Rate Method, Halsey, Rowan Methods and Taylor Methods only (including Simple problems)

Unit 3: Job and Process Costing:

Job Costing: Definition and Features of Job Costing –Preparation of Job Cost Sheet – Problems on Job Cost Sheet and (including Simple problems)

Process Costing: Meaning of process - Manufacturing companies with suitability of process costing – Types of process Costing with Normal loss (including simple problems)

Unit 4: Marginal Costing and Break-Even Analysis

Concept of Marginal Cost and Marginal Costing – Contribution – Profit-Volume Ratio – Break-Even Point – Margin of Safety – Cost-Volume-Profit (CVP) Analysis

Unit 5: Budgeting and Budgetary control

Meaning and Objectives of Budgeting - Types of Budgets: Functional Budgets, Cash Budget, Flexible Budget, Master Budget - Preparation of Budgets - Budgetary Control: Meaning, Advantages and Limitations - Zero-Based Budgeting and Performance Budgeting (Conceptual overview only).

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**SHRI GNANAMBICA DEGREE COLLEGE MADANAPALLI
(AUTONOMOUS)**

SEMESTER-I

**COURSE 1: ACCOUNTING FOR MANAGERS
(W.E.F.2025-2026)**

PROGRAM -BBA Honors

Time: 3 hrs

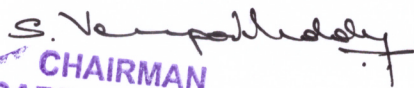
Max Marks:70

Section A

Answer any Four of the following

4X 5=20 M

1. Find Prime cost –
Materials used ₹ 10,000; Direct wages ₹ 6,000;
Direct expenses ₹ 3,000; Chargeable expenses ₹ 1,000
2. Elements of cost
3. Economic order quantity
4. Features of Job costing
5. What is a flexible Budget
6. Define Budget
7. Contribution
8. Find Breakeven point when sales are ₹ 10,000; Fixed cost ₹ 4,000; Variable cost ₹ 5000.


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Section -B

Answer any FIVE of the following

5X10=50M

9. Mr. Gopal furnishes the following data relating to the manufacture of a standard product during the month of April 2023.

Raw material consumed ₹ 15,000	Direct labour charges ₹ 9,000
Machine hours worked 900	
Machine hour rate ₹ 5	
Administrative overheads 20% on works cost	
Selling overheads ₹ 0.50 per unit	
Units produced 17,100	
Units sold 16,000 at ₹ 4 per unit	

You are required to prepare a cost sheet

10. From the following information prepare a cost sheet for the month of December 2023

Stock on hand – 1 st Dec. 2023:	Raw materials 25,000	₹
	Finished goods 17,300	
Stock on hand – 31 st Dec. 2023:	Raw materials 26,200	
	Finished goods 15,700	
Purchase of raw materials 21,900	Carriage on purchases	1,100
Work-in-progress 1.12.2023 at works cost 8,200		
Work-in-progress 31.12.2023 at works cost 9,100		
Sale of finished goods 72,300		
Direct wages 17,200		
Non productive wages 800	Direct expenses 1,200	Factory overheads
Administrative overheads 3,200		
Selling and distributing overheads 4,200		

11. Material 'A' is used as follows:

Maximum usage in a month	600 units
Minimum usage in a month	400 units
Average usage in a month	450 units
Lead time: Maximum 6 months, minimum 2 months.	

Reorder quantity : 1,500 units

Maximum reorder period for emergency purchases – 1 month

Calculate	(a) Reorder level	(b) Maximum level
	(c) Minimum level	(d) Average stock level
	(e) Danger level	

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12. A worker takes 9 hours to complete a product on daily wages and 6 hours on a scheme of payment by results. His day rate is 75 paise an hour, a material cost of the product is ₹ 4 and the overheads are recovered at 150% of the total direct wages. Calculate the factory cost of the product under:
- Piece work plan
 - Rowan plan
 - Halsey plan
13. The information given below has been taken from the costing records of an engineering works in respect of job number 303.
- Materials ₹ 4,010
- Wages: Dept. A – 60 hours at ₹ 3 per hour
Dept. B – 40 hours at ₹ 2 per hour
Dept. C – 20 hours at ₹ 5 per hour
- Overhead expenses for these three departments were estimated as follows:
- Variable overheads: Dept. A - ₹ 5000 for 5000 labour hours
Dept. B - ₹ 3000 for 1500 labour hours
Dept. C - ₹ 2000 for 500 labour hours
- Fixed overheads: Estimated at ₹ 20,000 for 10,000 normal working hours
- You are requested to calculate the cost of job 303 and calculate the price to give a profit of 25% on selling price.
14. The following information relate to the manufacturing of component Z – 10 in a cost centre. Cost of materials – 10 paise per component Operator's wages - ₹ 1.00 per hour Machine hour rate - ₹ 2.00
Setting up time of the machine – 2 hours and 30 minutes.
Manufacturing time – 12 minutes per component
Prepare cost sheet in columnar form showing both production and setting up costs – Total and per unit when a batch consists of (a) 10 components (b) 100 components (c) 1000 components.
15. From the particulars given below calculate: (a) Break even point.
(b) Profit or loss when sales are ₹ 12,000 and (c) Sales required to earn a profit of ₹ 5,000

	Sales ₹	Profit/Loss (-) ₹
Period 1	10,000	-500
Period 2	14,000	1500

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16. The statement of cost of a machine is as follows:

	₹
Materials	200
Labour	100
Variable expenses	50
Fixed expenses	75
Total cost	425
Profit	100
Selling price	525

The number of machines sold and made is 10,000

- Find out the break even point
 - How many machines must be produced and sold if the price is reduced by ₹ 25 to realise the present amount of profit?
17. Explain the different types budgets?
18. Define Budgeting. Discuss the objectives and importance of Budgeting

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