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Total Number of Pages: 02

Course: MBA
Sub_Code: MBPC1005

2nd Semester Regular Examination: 2024-25

SUBJECT: COST AND MANAGEMENT ACCOUNTING

BRANCH(S): BA, FM, FM&HRM, GM, HCHM, HRM, IB, LSCM, MBA, MBA (A & M), MM, RM

Time: 3 Hours

Max Marks: 100

Q.Code: S300

Answer Question No.1 (Part-I) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Answer the following questions with examples and justifications: (2 x 10)

- Fixed cost per unit remains fixed. Justify your answer.
- Is Income tax included in the Cost Sheet? Justify your answer.
- The terms 'Inventory' and 'Materials' are the same. Justify your answer.
- FIFO is suitable at times of rising prices. Justify your answer.
- What are the possible effects of labour turnover?
- Do you agree that 'variable overheads vary with time'? Justify your answer.
- MHR is separately computed for each machine. Justify your answer.
- Under absorptions are caused by clerical errors. Do you agree? Justify your answer.
- Contract costing and Job Costing are the same. Do you agree? Justify your answer.
- Under Service costing 'Depreciation' is always fixed. Do you agree? Justify your answer.

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- From the following particulars calculate (i) Contribution (ii) P/V Ratio (iii) Break Even Point in units and in Rupees (iv) What will be the selling price per unit if the Break Even Point is brought down to 25000 units?
Fixed Expenses = Rs. 1,50,000
Variable Cost = Rs. 10 per unit
Selling Price per unit Rs. 15
- Distinguish between Standard Costing and Budgetary Control.
- Explain the term Variance and distinguish between controllable and uncontrollable variance
- Distinguish between Cost control and Cost Reduction.
- Explain with examples allocation and apportionment of overhead.
- What are the different applications of marginal costing?

- g) From the following information, find the Margin of safety:
Total Fixed cost is Rs. 1,80,000; Total variable cost is Rs. 3,00,000. Selling price per unit is Rs. 6.00 and number of units sold is 2,00,000.
- h) Discuss the classification of costs by variability with examples.
- i) Discuss the various methods of costing bringing out clearly the industries adopting the same.
- j) What do you mean by Overheads? Discuss the different overheads as used in preparation of a cost sheet with example from each category.
- k) Explain what you understand by primary distribution and secondary distribution of overhead with example of such overhead costs.
- l) Explain the reasons for preparing a flexible budget.

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

(16 x 2)

- Q3** What is CVP analysis? What are the applications of marginal costing techniques in managerial decision making? Explain. (16)
- Q4** Define a Master budget. Discuss the advantages and limitations of budgetary control System. (16)
- Q5** S. Limited furnishes you the following information relating to the half year ending 30th June 2024. (16)
Fixed expenses = Rs. 50,000; Sales value Rs. 2,00,000; Profit Rs. 50,000
During the second half of the same year, the company has projected a loss of Rs. 10,000.
Calculate:
(I) The P/V ratio, break-even point and margin of safety for six months ending 30th June, 2024.
(II) Expected sales volume for second half of the year assuming that selling price and fixed expenses remain unchanged in the second half year also.
(III) The break-even point and margin of safety for the whole year 2024.
- Q6** The standard quantity and standard price of raw material required for 1 unit of product are given below: (16)

Quantity	Standard usage	Price
Material A	2 Kg	Rs 3 per kg
Material B	4 Kg	Rs 2 per kg

Actual output are as follows for 500 units

Quantity	Actual kg used	Total Price
Material A	1100	Rs 3410
Material B	1800	Rs 3960

Compute Material Variances.