

Registration No.:

--	--	--	--	--	--	--	--	--	--

Total Number of Pages: 02

Course: MBA
Sub_Code: 18MBA303B

3rd Semester Regular/Back Examination: 2024-2025
SUBJECT: Advanced Management Accounting
BRANCH(S): MBA, FM, GM, MBA (M&F), MBA (FM & HRM), RM, HRM, IB, MM
Time: 3 Hours
Max Marks: 100
Q.Code: R222

Answer Question No.1 (Part-1) 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: (2 x 10)**
- a) What is the objective of management accounting for an organization?
 - b) Define management accounting.
 - c) What do you understand by contribution margin?
 - d) How do you calculate cost of production?
 - e) Write short note on sales variance.
 - f) What is contract costing. Give suitable example.
 - g) Briefly define direct and indirect costs with examples.
 - h) What are responsibility acts?
 - i) Define cost unit and cost center. Give examples for each.
 - j) What is key factor?

Part-II

- Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)**
- a) What is cost accounting? Discuss its important objectives in a business entity.
 - b) Distinguish between fixed cost and variable cost. With a suitable example explain how these costs do affect the price of the goods.
 - c) Explain social cost benefit analysis. What factors are taken to calculate it?
 - d) How do you apportion the overhead expenses? Illustrate with examples.
 - e) Explain cost-volume-profit analysis.
 - f) Compare between Performance Budgeting and Zero-based Budgeting.
 - g) Explain few ways of controlling cost in project management.
 - h) Briefly explain ABC method of inventory management and its advantages for the organization.
 - i) What are the problems associated with marginal costing?
 - j) Given, Fixed cost is Rs 2 lakh, Profit volume ratio is 25 %. Compute the production quantity (in units) at which it reaches Break Even point.

- k) Given, Quantity of Production = 10000 units, Fixed cost = Rs. 2,00,000/-, Variable cost = Rs. 10 per unit, Compute Profit amount using technique of marginal costing.
- l) Describe briefly the main features of Process Costing.

Part-III

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

- Q3** "Management accounting is an extension of financial accounting". Discuss this statement. (16)
- Q4** The standard cost of material for a manufacturing unit producing a unit of product is estimated as follows: (16)
- 15 kg raw material @ 1.50 per kg
 - On the completion of the unit, it was found that 20 kg of raw material costing @ Rs 2 per kg has been consumed.
- Compute material cost variance.
- Q5** Evaluate various methods of absorption of overhead expenses in a manufacturing unit. Justify apportionment of common expenses into different heads giving appropriate reasons. (16)
- Q6** ABC company desires to enter a capital project with the following information. (16)
- | | |
|----------------------------------------------------------|----------|
| Investment outlay | Rs. 5000 |
| Project life | 5 years |
| Salvage value | 0 |
| Annual revenue | Rs. 6000 |
| Annual cost (excluding depreciation, interest and taxes) | Rs. 4000 |
- Depreciation straight line.
- | | |
|-------------------|------|
| Tax rate | 40 % |
| Debt equity ratio | 4:5 |
| Cost of equity | 18 % |
| Cost of debt | 9 % |
- Calculate EVA of the project over its life.