Seat No. : 924

AE-104

August-2021

BBA, Sem.-VI

CC-312 : Management Accounting

Time : 2 Hours] **[Max. Marks : 50**

Instructions : (1) **All** questions in Section – I carry equal marks.

(2) Attempt any **TWO** questions in Section – I.

(3) Question – **5** in **Section – II** is **COMPULSORY**.

(4) Attempt any **TEN** questions in Section – II.

SECTION – I

1. (A) Differentiate between Management accounting and Financial accounting. **10**

(B) ABC Ltd. produces 15,000 units of a certain product at 100% capacity. The following information is obtained from the books of account. **10**

Particulars	April, 2020	May, 2020
Production (units)	10,500	13,500
Direct Material	1,05,000	1,35,000
Rate of direct wages per hour	40	40
Direct expenses	31,500	40,500
Repairs and maintenance	24,000	27,000
Inspection	9000	10,800
Salaries	65,000	65,000
Depreciation	12,000	12,000

The rate of production per hour is 10 units. You are required to construct a flexible budget for 80% and 100% capacity.

2. (A) The following is the standard mix of production of product 'P'. **10**

Material	Kgs.	Price per kg. (₹)
A	10	32
B	4	18
C	6	20

The standard loss is 20% of units introduced. Actual production is 1920 kgs. The actual consumption and cost of material used is as under.

Material	Kgs.	Price per kg. (₹)
A	1280	30
B	480	20
C	800	21

Calculate the following variances :

(1) Material cost variance

(2) Material price variance

(3) Material mix variance

(4) Material yield variance

(B) From the following data, calculate Labour variances. **10**

Particulars	Standard	Actual
Number of workers employed	400	380
Average monthly wages per worker	₹ 1200	₹ 920
Number of working days during the month	25	23
Production during the month (units)	40,000	36,000

3. (A) You are given the following data for the year 2019 and 2020 of a company. **10**

Particulars	**2019**	**2020**
Sales (₹)	48,60,000	61,56,000
Total Cost (₹)	47,30,400	57,67,200

From the above, you are required to compute the following assuming that fixed cost remains the same in both the periods.

(1) Profit-volume ratio (P/V ratio)

(2) Fixed cost

(3) The amount of profit/loss when sales are ₹ 30,00,000

(4) Margin of Safety for the year 2020

(5) The amount of sales required to earn a profit of ₹ 1,29,600

(B) A company can produce three different products from the same raw-material using the same production facilities. The requisite labour is available in plenty at ₹ 45 per hour. The supply of raw-material which is imported at ₹ 48 per Kg. is limited to 1, 24,800 kg. for the budget period. Fixed overheads are ₹ 50,00,000. Other information is as under. **10**

Particulars	**X**	**Y**	**Z**
Selling price per unit	162	216	270
Raw material required per unit (kg.)	0.7	0.4	1.5
Labour hours per unit	1	2	1.5
Variable overheads per unit (₹)	33.6	67.4	50.4
Maximum possible sales units	96,000	72,000	60,000

From the above information, suggest the most profitable sales mix and also determine profit at that level.

4. (A) What is Transfer Pricing ? Explain in brief the various types of transfer pricing. **10**

(B) Define Responsibility Accounting. Discuss the types of the responsibility centre. **10**

SECTION – II

5. Do as directed : (any **10**) **10**

(1) Standard costing is a technique of profit control. State (true or false.)

(2) State the formula of Break-Even Point (BEP) in units.

(3) Foreign order below normal domestic price should be accepted only if selling price is more than marginal cost. State (true or false.)

(4) Define : Sunk Cost

(5) Mention any one tool/technique of Management Accounting.

(6) Units produced = units sold + opening stock - desired closing stock. State true or false

(7) Define : Activity Based Costing

(8) The cost which changes in direct proportion to level of activity is _____ costs. (Variable/ Semi-variable/ Fixed) (Fill in the blank.)

(9) For maximizing the profit, in case of limiting factor, a decision-maker should consider.

(A) Sales (B) Variable cost

(C) Contribution Margin (D) Fixed cost

(10) Mention the stages of Life-cycle costing.

(11) At any given level of output, when an unit of a product is added or deducted, the difference in total cost is _____ cost. (Marginal/ Sunk/ Opportunity)

(12) Sales Volume Variance= Sales ___variance + Sales Sub-volume variance. (Mix/Price)

(13) Cost accounting is mostly historical while Management accounting is futuristic. State (true or false.)

(14) When actual cost is more than standard cost, it is called _____ variance. (Adverse/ Favourable)

(15) Define : Target Costing
