

Paper Code: **MBA-026**Roll No.

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MBA
(SEM II) EVEN SEMESTER EXAMINATION, 2015-16
COST & MANAGEMENT ACCOUNTING

[Time: 3 hrs.]

[Max. Marks: 100]

Note:- Attempt all questions.

1. Attempt any four parts of the following: -

[5x4 = 20]

- (a) Describe the importance of cost accounting for management?
- (b) Explain the preliminaries in the installation of budget system?
- (c) What is transfer pricing?
- (d) Define the advantages of budgetary control?
- (e) Discuss the elements of cost?
- (f) What is absorption costing?

2. Attempt any four parts of the following:-

[5x4 = 20]

- (a) Explain activity based costing?
- (b) Distinguish between differential costing and incremental costing?
- (c) What are the causes of difference in reconciliation statement?
- (d) Write short note: Value chain Analysis.
- (e) What is the scope of cost accounting?
- (f) Prepare a Cost Sheet from the following information:

	(Rs.)
Purchases of materials	3,00,000
Expenses on Purchases	80,000
Direct Wages	3,30,000
Work in Progress on 1 st Jan, 2001 (valued at Prime Cost)	25,000
Work in progress on 31 st Dec, 2001 (valued at Prime Cost)	38,000
Works Overhead	65,000
Office Overhead	22,000
Selling & Distribution Overhead	13,000
Sales	9,00,000

3. Attempt any two parts of the following: -

[10x2 = 20]

- (a) What do you mean by Cost Sheet? Also explain the characteristics & advantages of cost sheet?
- (b) What is responsibility accounting? Also discuss the steps involved in responsibility accounting?
- (c) Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90% plant capacity.

Particulars	At 80% Capacity (Rs.)
Variable overheads:	
Indirect Labour	12,000
Stores including spares	4,000
Semi – variable overheads:	
Power (30% fixed, 40% variable)	20,000
Repairs and maintenance (60% fixed, 40% variable)	2,000
Fixed Overheads:	
Depreciation	11,000
Insurance	3,000
Salaries	10,000
Total Overheads	62,000
Estimated direct labour hours	1,24,000 hours.

4. Attempt any two parts of the following: -

[10x2 = 20]

- (a) Describe the different methods of costing?
 (b) Explain Break even analysis with diagram?
 (c) The following information is given:

Sales	Rs. 2,00,000
Variable cost	Rs. 1,20,000
Fixed cost	Rs. 30,000

- Calculate: (i) Breakeven Point.
 (ii) New breakeven point if selling price is reduced by 10%.
 (iii) New breakeven point if variable cost increases by 10%.
 (iv) New breakeven point if fixed cost increases by 10%.

5. Attempt any two parts of the following:-

[10x2 = 20]

- (a) What is Marginal costing? Also explain the features of marginal costing?
 (b) What are the different types of functional budget?
 (c) From the following particulars prepare statement of cost of manufacture for the year 2011, a statement of profit as per cost account, trading and profit/loss a/c in the financial books, the reconciliation cost book and financial book.

Particulars	Amount (Rs.)
Purchase of raw material	43,200
Wages	18,000
Outstanding (raw material Rs. 7,200 & finished goods Rs. 14,400)	21,600
Stock at hand (raw material Rs. 10,800 & finished goods Rs. 3,600)	14,400

Calculate factory overhead at 20% prime cost & office overhead at 18% on factory overhead. Actual work expenses amounted to Rs. 11,350 and the actual office expenses amounted to Rs. 9,290, the selling price was fixed at 20% above cost.