

COER University**END SEMESTER EXAMINATION, EVEN SEM 2022-23**

Time : 3 hours

Program Name : MBA

Course Name : Management Accounting

Total Marks : 100

Semester : II

Course Code : MBA202/SOB504

Note: All questions are compulsory. No student is allowed to leave the examination hall before the completion of the time.

Q. No 1	Attempt Any Four Parts. Each Question Carries 5 Marks.	CO	BL
(a)	Explain the meaning of Relevant Cost.	CO 1	2
(b)	Bring out the difference between Financial Accounting and Management Accounting	CO 1	2
(c)	Discuss the role of Management Accounting in the management process.	CO 1	2
(d)	Prepare a cost sheet and compute Profit, when sales is Rs 116000/- Direct Material Rs 57000, Direct Wages Rs 29500, Factory Rent Rs 3000, Managers Salary Rs 10000, Directors Remuneration Rs 50000, Legal Charges Rs 2000, Advertisement Rs 1500	CO 1	2
(e)	Distinguish between Cost Control and Marginal Costing.	CO 1	2

Q. No 2	Attempt Any Four Parts. Each Question Carries 5 Marks.	CO	BL																										
(a)	Demonstrate the Concept of Budget and Budgetary Control with the help of Objectives	CO 2	3																										
(b)	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%. <table><tr><td>Plant Capacity</td><td>At 80% capacity ₹</td></tr><tr><td>Variable Overheads:</td><td></td></tr><tr><td>Indirect labour</td><td>12,000</td></tr><tr><td>Stores including spares</td><td>4,000</td></tr><tr><td>Semi Variable:</td><td></td></tr><tr><td>Power (30% - Fixed: 70% -Variable)</td><td>20,000</td></tr><tr><td>Repairs (60%- Fixed: 40% -Variable)</td><td>2,000</td></tr><tr><td>Fixed Overheads:</td><td></td></tr><tr><td>Depreciation</td><td>11,000</td></tr><tr><td>Insurance</td><td>3,000</td></tr><tr><td>Salaries</td><td>10,000</td></tr><tr><td>Total overheads</td><td>62,000</td></tr><tr><td>Estimated Direct Labour Hours</td><td>1,24,000</td></tr></table>	Plant Capacity	At 80% capacity ₹	Variable Overheads:		Indirect labour	12,000	Stores including spares	4,000	Semi Variable:		Power (30% - Fixed: 70% -Variable)	20,000	Repairs (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	CO 2	3
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(c)	Explain the application and uses of Zero-Base Budget	CO 2	3																										
(d)	What do you mean by Budgetary Control? State its advantages and limitations.	CO 2	3																										
(e)	From the information below, prepare a cash budget for the period from January to April. <table><tr><th colspan="2">Expected Sales</th><th colspan="2">Expected Purchase</th></tr><tr><th></th><th>Rs</th><th></th><th>Rs</th></tr><tr><td>Jan.</td><td>60,000</td><td>Jan.</td><td>48,000</td></tr><tr><td>Feb.</td><td>40,000</td><td>Feb.</td><td>80,000</td></tr><tr><td>Mar.</td><td>45,000</td><td>Mar.</td><td>81,000</td></tr><tr><td>Apr.</td><td>40,000</td><td>Apr.</td><td>90,000</td></tr></table> <p>The wages to be paid to workers amount to Rs 5,000 each month. Also, the bank balance on 1st January was Rs8,000. The management decided on the following:</p> <ul style="list-style-type: none">• If the deficit fund is within the limit of Rs10,000, it is possible to make arrangements with the bank.• If the deficit fund exceeds Rs 10,000 but is within the limit of Rs42,000, the issue of debentures is preferred. <p>If the deficit fund exceeds Rs 42,000, the issue of shares is preferred (considering the fact that it is within the limit of authorized capital).</p>	Expected Sales		Expected Purchase			Rs		Rs	Jan.	60,000	Jan.	48,000	Feb.	40,000	Feb.	80,000	Mar.	45,000	Mar.	81,000	Apr.	40,000	Apr.	90,000	CO 2	3		
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Q. No 3	Attempt Any Four Parts. Each Question Carries 5 Marks.	CO	BL															
(a)	Illustrate the concept of Standard Cost and Standard Costing. Analyze the application areas of standard costing	CO 3	4															
(b)	Demonstrate the importance and causes of Volume Variance	CO 3	4															
(c)	"Idle labor will increase the cost without productivity" Analyze this statement in the light of labor variances.	CO 3	4															
(d)	List down the objective of Uniform Costing.	CO 3	4															
(e)	Using the data given below analyze the departmental LCV,LRV and LEV	CO 3	4															
	<table><tr><th>Particulars</th><th>Department A</th><th>Department B</th></tr><tr><td>Gross Wages Direct in Rs</td><td>Rs 28080</td><td>Rs 19370</td></tr><tr><td>Standard hours produced</td><td>8640</td><td>6015</td></tr><tr><td>Standard Rate per Hour in Rs</td><td>Rs 3.00</td><td>Rs 3.40</td></tr><tr><td>Actual hours worked</td><td>8200</td><td>6345</td></tr></table>	Particulars	Department A	Department B	Gross Wages Direct in Rs	Rs 28080	Rs 19370	Standard hours produced	8640	6015	Standard Rate per Hour in Rs	Rs 3.00	Rs 3.40	Actual hours worked	8200	6345		
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Q. No 4	Attempt Any Two Parts. Each Question Carries 10 Marks.	CO	BL
(a)	Does an objective of marginal costing meet the requirement management? Elaborate your answer.	CO 4	4
(b)	What is the Margin of Safety? How it is Calculated.	CO 4	4
(c)	Analyze (a) BEP (b) PVR (c) BEP if FC increased by Rs 2000 (d) BEP if SP decreased by Rs 2 per unit (e) BEP if MC increased by Rs 1 per unit. When FC is Rs 10000, SP per unit is Rs 10 and VC per unit is Rs 6/-	CO 4	4

Q. No 5	Attempt Any Two Parts. Each Question Carries 10 Marks.	CO	BL
(a)	Critically evaluate the role of responsibility accounting in service organization	CO 5	5
(b)	Evaluate a managers performance with the help of Responsibility Centers	CO 5	5
(c)	Define Responsibility Center.	CO 5	5

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