Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_



**End Semester Examination – Nov / Dec – 2019**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
| **Code : 17BC2022** |  | **Duration :** | **3hrs** |
| **Sub.Name : MANAGEMENT ACCOUNTING** |  | **Max. Mark:** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | | **Marks** |
| 1. | a. | Discuss the tools of Management Accounting. | CO2 | | 10 |
| b. | Enumerate the functions of Management Accounting. | CO2 | | 10 |
| **(OR)** | | | | | |
| 2. | a. | “Balanced score card is an effective measurement system”- Describe | | CO2 | 10 |
| b. | Discuss the advantages and disadvantages of Cost Management System. | | CO2 | 10 |
|  |  |  | |  |  |
| 3. |  | From the following information obtained from the records of a Manufacturing company:  1.1.2018 31.12.2018  Rs. Rs.  Stock of Raw materials 40,000 50,000  Stock of finished goods. 1,00,000 1,50,000  Stock of work- in-Progress. 10,000. 14,000   |  |  |  |  | | --- | --- | --- | --- | | Indirect Labour | 50,000 | Administration expenses | 1,00,000 | | Lubricants | 10,000 | power | 30,000 | | Insurance on plant | 3,000 | Direct labour | 3,00,000 | | Purchase of raw materials | 4,00,000 | Depreciation on machinery | 50,000 | | Sales commission | 60,000 | Factory rent | 60,000 | | Salaries of salesmen | 1,00,000 | Tax on factory building | 11,000 | | Carriage outward | 20,000 | Sales | 12,00,000 |   Prepare a statement of cost and profit showing :  a) Prime Cost  b) Works cost  c) Cost of production  d) Cost of sales  e) Profit | | CO3 | 20 |
| **(OR)** | | | | | |
| 4. |  | Explain any five techniques to control Cost. | CO2 | | 20 |
| 5. | a. | Explain any five Merits and Demerits of Standard costing. | CO2 | | 10 |
| b. | From the following data compute:  (i) Material Cost Variance  (ii) Material Price Variance  (iii) Material Usage Variance  Standard quantity required 500 kgs.  Standard price @ Rs.10 per kg.  Actual quantity used 600 kgs.  The above quantity was bought at Rs. 5,400 | CO3 | | 10 |
| **(OR)** | | | | | |
| 6. | a. | Differentiate between standard costing and Budgeting. | CO4 | | 10 |
| b. | Discuss the types of variances. | CO3 | | 10 |
|  |  |  |  | |  |
| 7. |  | Assuming that cost structure and selling price remain the same in Periods I and II, Find out:   1. P/V ratio 2. Fixed cost 3. Profit when sales are Rs. 1,00,000 4. Sales Required to earn a profit of Rs.20,000 5. Margin of safety   Period Sales Profit  I Rs.1,20,000 9,000  II Rs. 1,40,000 13,000 | CO3 | | 20 |
| **(OR)** | | | | | |
| 8. | a. | Distinguish absorption costing from Marginal costing. | CO2 | | 10 |
| b. | A manufacturing company finds that while the cost of making a product is Rs.20 each, the same is available in the market at Rs.18. Give your suggestion whether to make or buy the product. The cost data is as follows:  Rs  Raw materials. 8  Wages 6  Variable expenses. 3  Fixed expenses 3  -------  Total cost 20 per unit | CO4 | | 10 |
|  | | **Compulsory**: |  | |  |
| 9. |  | |  | | --- | | Prepare a flexible budget for overheads on the basis of the following  data. Ascertain the overheads rates at 70%, 80% and 90% capacity.  At 80% capacity (Rs.)  Variable overheads:  Indirect labour. 12,000  Stores including spares 4,000  Semi-Variable Overheads:  Power (30% Fixed and 70% variable) 20,000  Repairs (60% Fixed and 40% variable) 2,000  Fixed overheads:  Depreciation 11,000  Insurance 3,000  Salaries 10,000  Total overheads 62,000  Estimated direct labour hour 1,24,000 hrs. | | CO5 | | 20 |