



**MBS-161100020206** Seat No. \_\_\_\_\_

**M. B. A. (Sem. II) (CBCS) Examination**

**April / May - 2018**

**Cost & Management Accounting**

Time : 3 Hours]

[Total Marks : 70

**Instruction :** All questions carry equal marks

- 1 What do you mean by a Budget and budgetary control. State the salient features of budgetary control
- 2 The following information is available from the records of ABC Ltd engaged in manufacturing article M for the week that ended 31<sup>st</sup> March, 2018

Standard labour hours and rates of payments per article is as follows :

	<b>Hours</b>	<b>Rate (per hour)</b>	<b>Amount</b>
Skilled labour	10	3	30
Semi-skilled labour	8	1.50	12
Unskilled labour	16	1	16

The actual production was 1,000 numbers of article for which the actual hours worked and the rates are given as follows:

	<b>Hours</b>	<b>Rate (per hour)</b>	<b>Amount</b>
Skilled labour	9,000	4	36,000
Semi-skilled labour	8,400	1.50	12,600
Unskilled labour	20,000	0.90	18,000

From the above data calculate Labour Variances

**OR**

- 2 (A) The following figures relate to a company manufacturing a varied range of products :

	<b>Total Cost (Rs.)</b>	<b>Total Sales (Rs.)</b>
Year ending 31 <sup>st</sup> Dec., 2016	19,83,600	22,23,000
Year ending 31 <sup>st</sup> Dec., 2017	21,43,200	24,51,000

Assuming stability in prices, with variable costs carefully controlled to reflect predetermined relationship, and an unvarying figure for fixed costs, calculate :

- (a) The profit/volume ratio
- (b) Fixed costs
- (c) Fixed cost % to sales
- (d) Break-even point.
- (e) Margin of safety for the year 2016 and the year 2017

(B) Differentiate between Cost Control and Cost Reduction.

- 3 "Cost accounting has become an essential tool of management". Discuss.

**OR**

- 3 What is an Activity based costing system ? What are the advantages and disadvantages of it ?

- 4 (A) "Changes in fixed costs are much more significant to a company than changes in variable cost". Discuss.

(B) What is the difference between Joint Products and By Products? Discuss the most common methods of allocating the joint costs.

**OR**

- 4 A product passes through three process I, II & III. From the following information prepare the process accounts assuming that there were no opening or closing stocks.

Particulars	Process-I	Process-II	Process-III
Materials	1,000	1,500	500
Labour	5,000	8,000	6,500
Overheads	1,050	1,188	2,009
Actual output (units)	9,500	9,100	8,100
Normal loss	3%	5%	8%

The wastage of process I was sold at 25 paise per unit, that of process II at 50 paise per unit and that of Process III at Re. 1 per unit.

Raw materials of 10,000 units were introduced into Process I in the beginning at a cost of Re 1 per unit.

- 5 Write a short note on : (Any Two)
- (1) Material Variances
  - (2) Techniques of Costing
  - (3) Job Costing