



Seat No. _____

HAD-19MBA206
M. B. A. (Sem. II) (CBCS) Examination
May - 2023
Cost & Management Accounting

Time : $2\frac{1}{2}$ Hours / Total Marks : 70

Instruction : All questions carry equal marks.

- 1 Define Managerial Accounting. Discuss Scope and Tools of Managerial Accounting.

- 2 From the following information, prepare the Cost Sheet showing following details :
 - (1) Raw material consumed
 - (2) Prime cost
 - (3) Factory cost
 - (4) Cost of production
 - (5) Total cost
 - (6) Net profit

| <i>Particulars</i> | <i>Amt. (Rs.)</i> |
|--|-------------------|
| • Opening stock of raw materials | 33,000 |
| • Closing stock of raw materials | 54,000 |
| • Purchases of raw materials | 1,24,500 |
| • Carriage inward | 6,750 |
| • 'Carriage outward | 1,800 |
| • Direct wages | 1,08,000 |
| • Indirect wages | 21,000 |
| • Direct expenses | 24,000 |
| • Factory rent | 10,500 |
| • Office rent | 1,800 |
| • Salesman's salary | 3,600 |

- Indirect material 600
- Depreciation on machinery 2,400
- Depreciation on furniture 300
- Office salary 3,300
- Other factory expenses 9,000
- Other office expenses 1,500
- Remuneration to factory manager 7,500
- Remuneration to office manager 10,500
- Remuneration to sales manager 9,000
- Sales expenses 6,300
- Income tax 18,000
- Sales 39,00,000

OR

- 2 (a) What is meant by job costing? Discuss the objectives and procedure of job costing.
- (b) The following information regarding job no. 191 is taken from cost accounts of an engineering factory.

Material : Rs. 6250

Wages : Department A - 30 hours @ Rs. 10 Per hour

Department B - 25 hours @ Rs. 20 Per hour

Department C - 20 hours @ Rs. 30 Per hour

Department D - 15 hours @ Rs. 40 Per hour

Overhead expenses for these departments were estimated as follow :

Variable overheads :

Department A - Rs. 40,000 for 5,000 labour hours.

Department B - RS. 35,000 for 5,000 labour hours.

Department C - Rs. 30,000 for 5,000 labour hours.

Department D - Rs. 25000 for 5,000 labour hours

Fixed overhead: Rs. 50,000 for 2,500 normal working hours.
You are required to calculate job no. 191 and calculate the price profit of 25% on cost.

- 3 A product passes through three process A, B and C. 50,000 units were introduced to process A at 20 Rs. Per unit. The other informations were as follow :

| <i>Particulars</i> | <i>A</i> | <i>B</i> | <i>C</i> |
|--|----------|----------|----------|
| Sundry materials (Rs.) | 1,00,000 | 1,50,000 | 50,000 |
| Labour (Rs.) | 5,00,000 | 8,00,000 | 6,50,000 |
| Direct expenses (Rs.) | 1,05,000 | 1,18,750 | 2,00,900 |
| Actual output (units) | 47,500 | 45,500 | 40,500 |
| Normal wastage | 3% | 5% | (?) |
| Selling price of normal wastage per unit (Rs.) | 5 | 10 | 20 |

The final product was sold at Rs. 102 per unit fetching a profit of 16.33% on sales. Prepare process accounts and find out the percentage of normal wastage in process C.

OR

- 3 (a) Discuss the Assumptions of Breakeven point.
 (b) Difference between Fix overhead and Variable overhead
- 4 Prepare a flexible budget at 60%, 80% and 100% production capacity from the following information of the AUM plastics limited for the month ended on 31st March, 2023 :

| <i>Fixed expenses</i> | <i>Amt. (Rs.)</i> |
|---------------------------|-------------------|
| Office salaries | 42,000 |
| Rent and taxes | 28,000 |
| Depreciation on machinery | 35,000 |
| Sundry office expenses | 44,500 |
| Total | 1,49,500 |

| <i>Semi variable expenses 50% capacity</i> | <i>Amt. (Rs.)</i> |
|--|-------------------|
| Plant maintenance | 12,500 |
| Indirect labour | 49,500 |
| Salesmen's salaries and expenses | 14,500 |
| Sundry expenses | 13,000 |
| Total | 89,500 |

| <i>Variable expenses at 50% capacity</i> | <i>Amt. (Rs.)</i> |
|--|-------------------|
| Materials | 1,20,000 |
| Labour | 1,28,000 |
| Salesmen's commission | 19,000 |
| Total | 2,67,000 |

- (1) Semi variable expenses remain constant between 40% to 70% capacity, increase by 10% of the above figures between 70% to 85% capacity and increase by 15% above figures between 85% to 100% capacity.
- (2) Fixed expenses remain constant at any level of capacity.
- (3) Sales of 60% capacity are Rs. 5,10,000; at 80% capacity Rs.6,80,000 and 100% capacity Rs. 8,50,000. It is to be assumed that all items produced are sold.

OR

4 Results of NMC Ltd. are as under :

| <i>Details</i> | <i>2022</i> | <i>2023</i> |
|------------------|-------------|-------------|
| Sales (Rs.) | 6,75,000 | 7,50,000 |
| Total cost (Rs.) | 6,81,000 | 7,41,000 |

- (1) Fixed expenses (2) PV Ratio (3) BEP sales (4) Margin of safety (5) Profit or loss when sales are Rs. 7,00,000 (6) Profit or loss when sales are Rs. 6,00,000 (7) Sales required to obtained profit of Rs. 12,000 (8) Sales required to obtained loss of Rs. 18,000.

5 From the following particulars of Raj Company, find out (1) Material cost variance (2) Material price variance (3) Material usage variance (4) Material mix variance (5) Material sub usage variance.

| <i>Material</i> | <i>Standard quantity</i> | <i>Standard price (Rs.)</i> | <i>Actual quantity</i> | <i>Actual price (Rs.)</i> |
|-----------------|--------------------------|-----------------------------|------------------------|---------------------------|
| A | 3,500 | 10 | 3,700 | 12 |
| B | 1,500 | 21 | 1,650 | 20 |
| C | 1,000 | 33 | 1,250 | 36 |