Seat No. : _______________

SL-132

September-2020

BBA, Sem.-VI

CC-312 : Management Accounting

Time : 2 Hours] **[Max. Marks : 50**

Instructions : (1) All Questions in **Section I** carry equal marks.
(2) Attempt any **TWO** questions in **Section I**.
(3) Question **5** in **Section II** is **COMPULSORY**.
(4) Attempt any **ten** questions in **Section-II**.

Section – I

1. (A) The following particulars are available from the records of Kumar Manufacturing Company at 60% and 80% levels. **10**

	60%	**80%**
Output (units)	30,000	40,000
Direct materials	7,20,000	9,60,000
Direct wages	1,80,000	2,40,000
Direct expenses	3,60,000	4,80,000
Indirect expenses	90,000	1,20,000
Inspection	9,600	10,800
Maintenance	48,000	60,000
Depreciation	40,000	40,000
Insurance	28,000	28,000
Salaries	65,000	65,000

Total production at 100% capacity is 50,000 units. Prepare flexible budget for 70% and 100% capacity.

(B) Sakeshi Ltd., manufactures two products 'X' and 'Y' by mixing the following raw-materials in the proportion shown below : **10**

Product X : Raw-material : A $\rightarrow$ 70%
B $\rightarrow$ 30%

Product Y : Raw-material : C $\rightarrow$ 60%
D $\rightarrow$ 40%

The weight of finished product X and Y are equal to the weight of their ingredients. During December, 2019, it is expected that 1800 kgs of product X and 6000 kgs of product Y will be sold.

Actual and Budgeted inventories for the month of December are as follows :

	Actual inventory (on 1-12-19 in kg)	**Budgeted inventory (on 31-12-19 in kg)**
Raw-material A	360	300
Raw-material B	210	180
Raw-material C	1380	1200
Raw-material D	600	660
Product X	240	120
Product Y	1200	1500

The purchase price of materials for December is expected to be as follows :

A : per kg. ₹ 15

B : per kg. ₹ 10

C : per kg. ₹ 8

D : per kg. ₹ 12

All materials will be purchased on 15-12-2019. From the above information, prepare :

(i) Production budget for December, 2019.

(ii) The material requirement budget for December, 2019.

(iii) The material purchase budget for December, 2019.

2. (A) The standard mix of a product is as follows : **10**

Materials	**Kgs**	**Price per kg**
A	5	12
B	3	15
C	2	20

The standard loss in production is 10% of the input. There is no scrap value. The actual production was 36,000 kgs. The actual consumption of materials and cost were as follows :

Materials	**Kgs**	**Price per kg**
A	19,000	14
B	14,000	15
C	9,600	18

From the above information, calculate the following variances :

(i) Material Cost Variance

(ii) Material Price Variance

(iii) Material Mix Variance

(iv) Material Yield Variance

(B) Write a note on 'Advantages of Standard Costing'. **10**

3. (A) Following data have been produced by the Board of Ramesh Ltd. **10**

	₹
Selling price per unit	600
Direct material per unit	240
Direct wages per unit	120
Variable overheads per unit	96
Fixed overheads	2,88,000

Calculate the following :

(i) Profit-volume ratio (P/V ratio)

(ii) BEP in units and in rupees.

(iii) Profit if sales are 25% above the Break-even Point (BEP)

(iv) Sales required to earn a profit of ₹ 6,12,000.

(B) Write a note on : **10**

(i) Opportunity Cost

(ii) Marginal Cost

(iii) Relevant Cost

4. (A) Write a detailed note on 'Meaning and types of Responsibility Centres'. **10**

(B) Write a note on 'Stages of Product Life Cycle'. **10**

Section – II

5. Do as directed : (any **ten**) **10**

(1) The purchase department manager is usually held accountable for the material ______ variance. (Price/Usage). (Fill up the blank).

(2) Standard costing is a valuable aid to management in controlling costs. (State **true** or **false**.)

(3) In responsibility accounting, the inputs are termed as

(A) Money (B) Cost

(C) Revenue (D) Income

(4) The difference between the actual sales and sales at Break-even point is known as _______. (Margin of safety/Profit-volume ratio)

(5) State the formula of P/V ratio (Profit-Volume Ratio).

(6) Which of the following is not a responsibility centre ?

(A) Expense centre (B) Profit centre

(C) Investment centre (D) Account centre

(7) Management Accounting is futuristic in nature. (State true or false).

(8) Mention any one technique of Management Accounting.

(9) Standard quantities that do not allow for spoilage/waste that occurs at normal efficiency are called ______ standards. (Ideal / Normal / Direct)

(10) Sales value variance is sales price variance + sales ______ variance. (mix / volume)

(11) Future costs are relevant costs. (State true or false).

(12) A cost which cannot be recovered in the future is a _______ cost. (Sink / Marginal / Differential)

(13) Mention any one income variance.

(14) Define 'Activity Based Costing'.

(15) Mention any one method used for setting target costs.

(16) Budget is always prepared for one year. (State true or false).

(17) The cost which change in direct proportion to level of activity are :

(A) Fixed costs (B) Semi-variable costs

(C) Variable costs (D) Period costs

(18) Which of the following accounting system has a under scope ? (Cost Accounting / Management Accounting)

(19) Define 'Variance'.

(20) Key Factor is also known as Limiting Factor. (State true or false).