

BBA Sem.-6 (Rep) Examination**CC 312****Management Accounting****Time : 2-30 Hours]****September-2024****[Max. Marks : 70****1**

The following particulars are available from the records of Jaini Manufacturing company at 60% and 80% level:

14

Particulars	60% RS.	80% RS.
Output (Units)	30,000	40,000
Direct Materials	1,80,000	2,40,000
Direct Wages	4,50,000	6,00,000
Direct Expenses	90,000	1,20,000
Indirect Materials	22,500	30,000
Shop Labour	9,000	12,000
Maintenance	12,000	15,000
Inspection	2,400	2,700
Depreciation	15,000	15,000
Insurance	7,500	7,500
Salaries	9,000	9,000

Total Production at 100% capacity is 50,000 units. Prepare Flexible Budget for 70% and 90% Capacity.

OR

- (a) Dharmil Chemical Ltd., Manufactures two products X and Y, by mixing the following raw materials in proportion shown below : **07**

Product X : Raw Material : A 70% B 30%

Product Y : Raw Material : C 60% D 40%

The weight of finished products X and Y are equal to the weight of their ingredients.

During November, 2023 it is expected that 1200 kgs. Of product X and 4000 kgs of product Y will be sold.

Actual and budgeted inventories for the month of November are as follows :

Raw Materials	Actual Inventory (1-11-23)	Budgeted Inventory (30-11-23)
A	240	200
B	140	120
C	920	800
D	400	440
Product X	160	80
Product Y	800	1000

N.593-2

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

A : Per Kg. Rs. 40

B : Per Kg. Rs. 35

C : Per Kg. Rs. 10

D : Per Kg. Rs.18

All materials will be purchased on 5-11-2023.

From the above information, Prepare :

A. Production budget for November, 2023.

B. The Material Requirement Budget for November.

C. The Material Purchase budget for November.

(b) Define Budgetary control and Significance of budgetary control.

07

2

The Standard mix of Product R is as follow:

14

Materials	Kgs.	Price per Kg Rs.
X	50	5
Y	20	4
Z	30	10

The standard loss in production is 10% of the input. There is no scrap value.

Actual Production of Product R was 3,600 Kgs.

Actual consumption of material and cost were as follows:

Materials	Kgs.	Price per kg. Rs.
X	2080	5.50
Y	840	3.75
Z	1280	9.50

You are required to calculate :

1. Material Cost Variance
2. Material Price Variance
3. Material Usage Variance
4. Material Mix Variance
5. Material Yield Variance

OR

2

Data about labour employed in a factory to produce one unit of product M are as follows:

14

	Hours	Wage Rate (Rs.)	Total Payment (Rs.)
Skilled Workers	10	3	30
Unskilled Workers	16	1	16
Semi-skilled Workers	8	1.50	12
			58

Actual Situation

Actual Production : 100 Units

	Hours	Wage Rate (Rs.)	Total Payment (Rs.)
Skilled Workers	900	4	3,600
Unskilled Workers	2,000	0.90	1,800
Semi-skilled Workers	840	1.50	1,260
	3,740		6,660

Calculate Following Variance:

1. Labour Cost Variance.
2. Labour Rate Variance.
3. Labour efficiency Variance.
4. Labour mix Variance.

3 The following data is available from the books of Rupa Ltd.:

14

Selling Price	Rs. 60 per unit
Variable Manufacturing Expenses	Rs. 33 per unit
Variable Selling Expenses	Rs. 9 per unit
Fixed Factory Expenses	Rs. 16,20,000
Fixed Selling Expenses	Rs. 7,56,000
Sales during the year	Rs. 84,00,000

You are required to Find out:

- a) P.V. Ratio
- b) Break Even point (in Rs.)
- c) Margin of safety (in Rs.)
- d) Number of units to be sold to earn profit of Rs. 1,80,000.
- e) Profit when sales are Rs. 90,00,000.

OR

- (a) What is mean by Break even points? Write notes on Assumption and Limitations of BEP. 07
- (b) Write a note on: 07
 - a) Opportunity Cost
 - b) Marginal Cost

4 Discuss in detail different types of Responsibility Centres. 14

OR

- (a) Explain Process of Target Costing. 07
- (b) Write a note on Life cycle Costing. 07

5 Do as directed: (Any Seven) 14

1. Flexible budget is useful for control of performance. (True/False)
2. Define : Master Budget.
3. Key Factor is also known Limiting Factor. (True/False)
4. If variable cost ratio is 60%, the Profit volume ratio is
5. A cost variance is difference between standard cost and actual cost. (True/False)
6. Write formula of sales volume variance.
7. The ratio of contribution to sales is known as (P.V. Ratio/Variable Cost Ratio)

N 543-4

8. costs do not change with output. (Fixed Cost/Variable Cost).
9. Define Activity Based costing.
10. In responsibility accounting the outputs are termed as(Money/Cost/Revenue/Income)
11. Responsibility Accounting is a system of control by delegating and locating
 - (a) Responsibility for production
 - (b) Responsibility for accounting
 - (c) Responsibility for Cost
 - (d) None of the above.
12. Define Transfer Pricing.

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