

Seat No. : \_\_\_\_\_

# AE-104

April-2025

B.B.A., Sem.-VI

## CC-312 : Management Accounting

Time : 2:30 Hours]

[Max. Marks : 70

1. The following particulars are available from the records of Dharmil Manufacturing Company at 60% and 100% level :

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Particulars	60% Capacity ₹	100% Capacity ₹
Direct Materials	18,000	30,000
Direct Wages	12,000	20,000
Indirect Wages	6,000	10,000
Power and Fuel	7,500	11,500
Repairs and Maintenance	13,000	19,000
Administrative Overheads	20,000	28,000
Selling Overheads	12,000	16,000
Rent	24,000	24,000
Depreciation	20,000	20,000
Insurance	12,000	12,000

Total Production at 100% capacity is 10,000 units.

Prepare a flexible budget at 70% and 90% capacity.

**OR**

1. (A) Explain difference between Financial accounting and Management accounting. 7  
(B) Define Budgetary control and significance of budgetary control. 7

2. The Standard mix of Product R is as follow :

14

Materials	kgs.	Price per kg ₹
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. ₹
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. (A) The data regarding labour cost of production in February, 2025 in a factory is as follow :

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Particulars	Standard	Actual
Labour Hours	17,280	16,400
Wage Rate per hour	₹ 3	₹ 3.20

Find out :

- (1) Labour Cost Variance
  - (2) Labour Rate Variance
  - (3) Labour Efficiency Variance
- (B) Explain the benefits of Standard Costing.

7

3. A company is producing three different products. The details of the same are as under : 14

Particulars	Product (Per Unit)		
	W	T	O
Selling Price (₹)	112	104	74
Weight of raw materials (kg.)	5	6	3
Wage rate per hour (₹)	8	8	8
Variable overheads (% of labour cost)	50%	50%	50%
Labour hours required	6	5	4
Raw material price per kg. (₹)	6	6	6

The total fixed overheads amounted to ₹ 90,000. Find out the optimum product mix assuming that raw material is a limiting factor. If the total raw material available is 98,000 kg, find out the optimum profit. The potential market is as under :

Products	Units
W	10,000
T	4,000
O	12,000

**OR**

3. (A) The budget officer of R Co. Ltd. has prepared budget for the incoming year and the following information is available from it : 7

Sales (50,000 units)	₹ 50,000
Variable Costs	₹ 20,000
Fixed Costs	₹ 25,000

From the above mentioned information find out :

- (1) Profit Volume Ratio
- (2) Break-even point (in ₹)
- (3) Margin of safety (in ₹)

- (B) Write a note on : 7

- (a) Opportunity Cost
- (b) Marginal Cost

4. Discuss in detail different types of Responsibility Centres. 14

**OR**

4. (A) Explain Process of Target Costing. 7

(B) Write a note on Life Cycle Costing. 7

5. Do as directed : (Any **Seven**) 14

(1) Flexible budget is useful for control of performance. (True/False)

(2) If variable cost ratio is 60%, the Profit volume ratio is \_\_\_\_\_. (20% / 40%)

(3) Key Factor is also known as Limiting Factor. (True/False)

(4) Master budget is also known as summary budget. (True/False)

(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)

(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.