

B.B.A Sem.-6 (Rep) Examination

CC-312

Management Accounting

October-2025

Time : 2-30 Hours]

[Max. Marks : 70

Instruction: Show necessary working notes.

- Q.1 A department of a company Shruti Ltd. attains sale of Rs.30,00,000 at 80% of its normal capacity. Its overheads are given below: (14)

Administration Costs:

Office Salaries (Fixed)	Rs. 80,000
General Expenses	2% of Sales
Depreciation (Fixed)	Rs. 20,000
Rates & Taxes (Fixed)	Rs.15,000

Distribution Costs:

Wages (Variable)	Rs.75,000
Rent	1% of Sales
Other Expenses	4 % of Sales

Selling Costs:

Salaries	8% of Sales
Travelling Expenses	2% of Sales
Sales Office Expenses	1% of Sales

Prepare flexible budget for 80%, 90% and 100% of normal capacity.

OR

- Q.1 (A) Difference between Management Accounting and Cost Accounting. (7)

- (B) ABC Ltd., Vatva manufactures two products X and Y , by mixing the following raw materials in proportion shown below: (7)

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, 2024, it is expected that 2,400 kgs. of Product X and 8,000 kgs. of Product Y will be sold.

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

	Actual Inventory (kgs.) (1-11-24)	Budgeted Inventory (kgs.) (30-11-24)
Raw Material A	480	400
Raw Material B	280	240
Raw Material C	1,840	1,600
Raw Material D	800	880
Product X	320	160
Product Y	1,600	2,000

N 717.2

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

A: Per kg. Rs. 20

B: Per kg. Rs. 25

C: Per kg. Rs. 10

D: Per kg. Rs. 18

All materials will be purchased on 5-11-24.

From above the information, prepare:

- A) Production Budget for November , 2024
- B) The Material Requirement Budget for November
- C) The Material Purchase Budget for November.

Q.2 The standard labour composition and the actual labour composition (14)
engaged in a Job for 20 weeks are as under:

Workers	Standard		Actual	
	Number of Workers	Weekly Wage rate per Worker (Rs.)	Number of Workers	Weekly Wage rate per Worker (Rs.)
Skilled	80	10	70	8
Semi Skilled	70	20	42	21
Unskilled	50	30	40	25

The work is actually completed in 25 weeks. Calculate:

1. Labour Cost Variance
2. Wage Rate Variance
3. Labour Efficiency Variance
4. Labour Mix Variance
5. Labour Sub Efficiency Variance

OR

Q.2 (A) What is Standard Costing? Discuss advantages of Standard Costing. (7)

(B) The following details are taken from the cost records of a factory. (7)

Standard Quantity (kgs.)	Standard Price (per kg.)	Actual Quantity (kgs.)	Actual Price (per kg.)
300	5	280	4.5

Calculate:

- 1) Material Cost Variance
- 2) Material Price Variance
- 3) Material Usage Variance

N 717.3

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

Particulars	P	Q	R
Selling price per unit	Rs.168	Rs.156	Rs.111
Requirement per unit:			
Direct Material	10 kgs.	12 kgs.	6 kgs.
Direct Labour	12 hours	10 hours	8 hours
Variable Overheads(% of Labour Cost)	50%	50%	50%
Cost of direct material per kg.(Rs.)	4.5	4.5	4.5
Direct Labour hour rate(Rs.)	6	6	6
Maximum sales units	7,500	3,000	9,000

The total fixed overheads amount to Rs.1,35,000. Find out the optimum product mix and optimum profit assuming that raw material is a limiting factor. If the total raw material available is 1,47,000 kgs.

OR

- Q.3 (A) Explain the terms: (7)

- 1) Opportunity Cost
- 2) Margin of Safety

- (B) Following data have been produced by the board of Dharmik Ltd.: (7)

	Rs.
Selling price per unit	125
Direct materials per unit	50
Direct wages per unit	25
Variable overheads per unit	20
Fixed overheads	60,000

Calculate the following:

- 1) Profit Volume ratio
- 2) BEP in units and in rupees
- 3) Sales required to earn a profit of Rs.63,750.

- Q.4 What is responsibility centres? Discuss various types of responsibility (14)
centres.

OR

- Q.4 (A) Discuss stages of life cycle costing. (7)
(B) Discuss benefits of Activity Based Costing. (7)

P.T.O

N 717-4

Q.5

Do as directed: (Any Seven)

(14)

- 1) Budget is prepared for indefinite period of future time. (True/ False)
- 2) Historical Costing is the tools and techniques of management accounting. (True/ False)
- 3) Master Budget is also known as summary budget. (True/ False)
- 4) Write the formula of Material Yield Variance.
- 5) Standard Costing is a method of controlling _____. (cost/ revenue)
- 6) Material Cost Variance= _____+Material Usage Variance. (Material Price Variance/ Material Yield Variance)
- 7) BEP stands for Break Even Point. (True/ False)
- 8) If Profit volume ratio is 45%, then variable cost ratio is _____. (55%/45%)
- 9) Contribution margin is known as _____. (Marginal Income/Net Income)
- 10) Negotiated pricing is a method of _____. (transfer pricing / target costing)
- 11) The idea of target costing was originated in _____. (Japan/ India)
- 12) In responsibility accounting, the inputs are termed as _____. (Cost/Revenue)

