



Paper id: 252741

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Subject Code: BMB207

Roll No:

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**MBA**  
**(SEM II) THEORY EXAMINATION 2024-25**  
**COST & MANAGEMENT ACCOUNTING**

**TIME: 3 HRS****M.MARKS: 70****Note:** Attempt all Sections. In case of any missing data; choose suitably.**SECTION A****1. Attempt all questions in brief.****02 x 7 = 14**

Q no.	Question
a.	What is Activity-Based Costing (ABC)
b.	Explain the term historical cost and sunk cost.
c.	What is a Cost Unit?
d.	What is the Margin of Safety?
e.	Define Zero-Based Budgeting.
f.	What is Material Price Variance (MPV)?
g.	List two categories of Quality Costs under Quality Costing

**SECTION B****2. Attempt any three of the following:****07 x 3 = 21**

a.	Explain cost concepts and classification of costs.
b.	How would you calculate the Break-even Point (in units) using fixed cost and contribution per unit?
c.	Explain the difference between Fixed (Static) and Flexible Budget
d.	Differentiate between Material Usage Variance and Material Price Variance.
e.	Define Life-Cycle Costing and explain how it differs from traditional costing.

**SECTION C****3. Attempt any one part of the following:****07 x 1 = 07**

a.	Define Management Accounting and state two differences between management accounting and financial accounting.
b.	Prepare a simple cost sheet, explaining components of total cost and classification.

**4. Attempt any one part of the following:****07 x 1 = 07**

a.	Using CVP analysis, explain how a firm should make a "make-or-buy" decision when a key factor such as limited labor hours constrains production.
b.	Explain the concept of Marginal Cost and its role in CVP analysis.

**5. Attempt any one part of the following:****07 x 1 = 07**

a.	Explain the purpose, preparation, and interrelationship of functional budgets
b.	Discuss the meaning, objectives, and steps involved in Budgetary Control

**6. Attempt any one part of the following:****07 x 1 = 07**

a.	Analyze Sales Variances: Sales Price Variance, Sales Volume Variance, and Sales Margin Variance.
b.	Discuss the meaning, advantages, limitations, and applications of Standard Costing.

**7. Attempt any one part of the following:****07 x 1 = 07**

a.	Explain Target Costing, Life Cycle Costing, Quality Costing, and Activity-Based Costing.
b.	Using a case, show how Life-Cycle Costing leads to different pricing strategies than traditional cost-based pricing.