Printed Pages: 02 **Sub Code: RMB205/RMT205**

Paper Id: **270223** **Roll No.** | | | | | | | | | | |

MBA

(SEM II) THEORY EXAMINATION 2018-19

MANAGEMENT ACCOUNTING AND CONTROL

Time: 3 Hours ***Total Marks: 70***

Note: Attempt all Sections. If require any missing data; then choose suitably.

SECTION A

1. Attempt *all* questions in brief. **2 x 7 = 14**

a. What do you understand by "Management Accounting"?

b. What is absorption costing?

c. Define Master Budget.

d. How can you define contribution margin?

e. Define Target Costing.

f. What is Sensitivity Analysis?

g. Define Zero Base Budgeting.

SECTION B

2. Attempt any *three* of the following: **7 x 3 = 21**

a. Discuss in detail the nature and scope of management accounting. State the objectives of Management Accounting.

b. What is margin of safety? How is it calculated?

c. With the help of following information calculate
(a) Labour Cost Variance
(b) Labour Rate Variance
(c) Labour Efficiency Variance
Standard hours: 40@ Rs. 30 per hour
Actual hours: 50@ Rs. 40 per hour

d. "Management Accounting commences where Cost Accounting ends". Discuss the statement in view of difference between Cost and Management Accounting.

e. The analysis of factory overheads of a particular manufacturing company reveals that on an average there is 40% degree of variability at 100% level of activity. Budgeted mixed overheads are ₹ 10,000. What would they be at 50%, 70% and 90% level of activity?

SECTION C

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

(a) Define Marginal Costing. Explain characteristics, feature, assumptions and advantages of marginal costing.

(b) A company is manufacturing three products X, Y and Z. It supplies you the following information:

	Products		
	X	Y	Z
	Rs.	Rs.	Rs.
Direct Materials	2500	10000	1000
Direct Labour	3000	3000	500
Variable Overheads	2000	5000	2500
Sales	10000	20000	5000

Total Fixed overheads Rs 3000/-

Prepare a marginal cost statement and determine profit and loss.

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

(a) Define Budgetary Control. Also explain objectives, elements and types of budgetary control.

(b) The Royal Industries has prepared its annual sales forecast, expecting to achieve sales of Rs. 30,00,000 next year. The Controller is uncertain about the pattern of sales to be expected by month and asks you to prepare a monthly budget of sales. The following sales data pertained to the year, which is considered to be representative of a normal year:

Month	Sales (Rs.)	Month	Sales (Rs.)
January	1,10,000	July	2,60,000
February	1,15,000	August	3,30,000
March	1,00,000	September	3,40,000
April	1,40,000	October	3,50,000
May	1,80,000	November	2,00,000
June	2,25,000	December	1,50,000

Prepare a monthly sales budget for the coming year on the basis of the above data.

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

(a) Differentiate between budgetary control and standard costing. Explain the concept of Variance and its types.

(b) A manufacturing concern furnished the following information:
Standard: Material for 70kg, finished products:100kg; Price of materials: Rs.1 per kg
Actual: Output: 2,10,000 kg; Material used: 2,80,000; cost of material: Rs. 5,52,000.
Calculate:
(a) Material Usage Variance (b) Material Price Variance (c) Material Cost Variance

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

(a) What is Responsibility Accounting? Explain the significance of Responsibility Accounting. Also define Transfer Pricing.

(b) From the following data, calculate the break-even point of sales in rupees:
Selling price Rs.20
Variable cost per unit:
Manufacturing Rs.10
Selling Rs.5
Overhead (fixed):
Factory overheads Rs.500000
Selling overheads Rs.200000

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

(a) What are the characteristics of an ideal costing system? Describe the usefulness of operating costing.

(b) From the following data calculate:
(a) P/V Ratio (b) Variable Cost and (c) Profit

	Rs.
Sales	80000
Fixed expenses	15000
Breakeven point	50000