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Total Number of Pages : 02

MBA
15MNG301

3rd Semester Regular Examination 2018-19
COST AND MANAGEMENT ACCOUNTING

BRANCH : MBA

Time : 3 Hours

Max Marks : 100

Q CODE : E002

Answer Question No.1 (Part-1) which is compulsory, any EIGHT from Part-II and any TWO from Part-III.

The figures in the right hand margin indicate marks.

Part- I

Q1 Short Answer Type Questions (Answer All-10) (2x10)

- Distinguish between cost centre and profit centre.
- What are cost units? Give examples of cost units for five items of services and products.
- Explain the uses of MHR.
- In what way learning curves have significance in Cost Accounting?
- Distinguish between cost reduction and cost control
- Give examples of joint products and by-products two each.
- What is ZBB? Explain its utilities.
- What does it imply if the angle of incidence is more than average?
- What is batch costing method? Where is it used?
- What do you mean by disposal of variances?

Part- II

Q2 Focused-Short Answer Type Questions- (Answer Any EIGHT out of TWELVE) (6x8)

- What is CPV analysis? Discuss its applicability in managerial decisionmaking.
- Calculate the break even number of candidates from the following information and show a verification table indicating there is no profit or no loss position:
Fees collected per candidate Rs 100
Variable cost per candidate Rs 60
One supervisor remuneration per 100 candidates is Rs 400
Fixed cost is Rs 40,000
- What are the methods of costing? Explain their adaptability in different industries.
- What is ABC analysis? What are its advantages?
- Discuss the principles of apportionment.
- Explain different methods of absorption of overhead.
- Distinguish between job costing and contract costing.
- How would you deal with by-products in costing
 - Where they are of small total value
 - Where they are of considerable total value
 - Where they require further processing.
- What is service costing? What are its features? To which type of industries, this is suitable?
- Explain the limitations of budgetary control
- Explain the different types of budgets. Also explain key factor in any budgeting system.

l) Calculate the following :

- a. Total sales variance
- b. Salesmix variance
- c. Sales Price variance
- d. Sales Quantity variance
- e. Sales volume variance

Data are as follows :

Product	Standard units	Standard Rate	Actual units	Actual Rate
A	5000	5	6000	6
B	4000	6	5000	5
C	3000	7	4000	8

Part-III

Long Answer Type Questions (Answer Any TWO out of FOUR)

Q3 A factory uses a job costing system. The following cost data are available from the books for the year ended 2017-18. **(16)**

Direct Material : Rs 9,00,000

Direct Wages: Rs 750,000

Selling and Distribution Overheads Rs 5,25,000

Administrative Expenses Rs 4,20,000

Factory Overheads Rs 4,50,000

Profit Rs 6,09,000

- a. Prepare a cost sheet indicating all details
- b. In 2018-19, the factory had received an order for a number of jobs. It is estimated that the direct materials would be Rs 12,00,000 and direct labor would cost Rs 7,50,000. What would be the price of these jobs if the factory intends to earn the same rate of profit on sales assuming that the selling and distribution overhead has gone up by 15%. The factory recovers factory overhead as a percentage of direct wages and administrative and selling and distribution overhead as a percentage of works cost, based on the cost rates prevalent in the previous year.

Q4 What are the different methods of pricing of material issues? Discuss the relative advantages and disadvantages of FOUR different methods. **(16)**

Q5 Define budgetary control. What are its characteristics? Explain the advantages and the pre-requisites to have an effective budgetary control system in a manufacturing organization. **(16)**

Q6 a) Discuss what do you know about standard cost and standard costing. **(8)**

b) Explain the advantages and difficulties in installing a sound standard costing system. **(8)**