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Following Paper ID and Roll No. to be filled in your Answer Book.		
PAPER ID : 7109	Roll No.	

BBA / IMBA Examination 2021-22

(Even Semester)

MANAGEMENT ACCOUNTING

Time : Three Hours] *[Maximum Marks : 100*

Note :– Attempt all questions.

SECTION – A

Note :– Attempt all parts of the following : 1×20=20

1. Fill in the blanks.

   (a) The technique and process of ascertaining cost in termed as ....

   (b) Controllable cost is .... cost.

   (c) The technical term for charging of overheads to cost unit is known as ....

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(d) When fixed cost is ₹ 80,000 and P/V ratio is 50%, the break even sales will be ....

(e) .... factor is the principal budget factor.

(f) Labour mix variance is a sub-variance of .... variance.

(g) All the direct cost is known as .... cost.

(h) Warehousing cost is .... overhead.

(i) Break even sales are 1,000 units, fixed cost ₹ 2,000, contribution per unit will be ....

(j) A predetermined cost which is calculated from management standards of efficient operation and the relevant necessary expenditure is known as ....

(k) .... measures the cost significance of each item of material.

(l) .... is prepared to have effective utilization of funds and for the realisation of objectives as efficiently as possible.

(m) The budget like sales, production, cash etc. is related with .... budget.

(n) .... budget gives an estimate of the anticipated receipts and payments of cash during the budget period.

(o) The difference between selling price and variable cost is known as ....

(p) The difference between the actual sales and break even sales is known as ....

(q) .... is a costing technique in which only variable manufacturing cost are considered and used while valuing inventories and determining cost of goods sold.

(r) Lubricates is the example of indirect ....

(s) Suppose the standard cost of material is 27,600 while actual cost of material is 25,000 then what will be the material cost variance ....

(t) Actual quantity (standard unit price - actual unit price) is the formula of ....

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SECTION – B

2. Attempt any three parts of the following : $3\times10=30$

(a) A company has a production capacity of 2,00,000 units per year. Normal capacity utilization is reckoned as 90%. Standard variable production cost are ₹ 11 per unit. The fixed costs are ₹ 3,60,000 per year. Variable selling costs are ₹ 3 per unit and fixed selling costs are ₹ 2,70,000 per year. The unit selling price is ₹ 20. In the year just ended on 31st March, 2019 the production was 1,60,000 units and sales were 1,50,000 units. The costing inventory on 31st March, 2019 was 20,000 units. The actual variable production costs for the year were ₹ 35,000 higher than the standard.

Calculate the profit for the year :

(i) Absorption costing method

(ii) Marginal costing method

(b) The following particulars were obtained from the books of a firm for two periods :

Particulars	Period I	Period II
Units sold	7,000	9,000
Selling price per unit	₹ 100	₹ 100
Profit / loss	10,000	10,000

Calculate :

(i) P/V ratio.

(ii) The amount of fixed expenses.

(iii) Break-even point.

(iv) Profit when the sales were ₹ 10,00,000.

(v) Margin of safety for the period II.

(c) From the following information calculate :

(i) Stock-turnover ratio

(ii) Operating ratio

Particulars	Amount (in ₹)
Opening stock	28,000
Closing stock	22,000
Purchases	46,000
Sales	90,000

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Sales return	10,000
Carriage inwards	4,000
Office expenses	4,000
Selling and distribution	2,000
Capital employed	2,00,000

(d) The standard cost card shows the following detail relating to the material requirement to produce 1 kg. of groundnut oil :

Quantity of groundnut oil	3 kg
Price of groundnut	₹ 0.76 per kg

Actual production data :

Production during one month	1,000 kg
Quantity used	3,500 kg
Price of groundnut	1.00 per kg

Calculate and give your opinion about the following variances :

(i) Material cost variance

(ii) Material price variance

(iii) Material usage variance

(e) The profit and loss account of Abhinav Limited for the year ending 31st March, 2012 is given below. You are required to calculate fund from operations :

Profit & Loss Account

To expenses paid and oustanding	3,00,000
To depreciation	70,000
To loss on sales of machine	4,000
To discount	200
To goodwill	20,000
To net profit	1,15.800
	5,10,000

By gross profit	4.50.000
By gain on sales of land	60.000
	5,10,000

SECTION – C

Note :– Attempt questions are compulsory. Each question has internal choices. 5×10=50

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3. Differentiate between management accounting and cost accounting. What is the role of a management accountant in the present scenario?

OR

"Variance analysis is an integral part of standard costing system." Explain.

4. Indicate any five circumstances under which you will allow to fix a price which is less than marginal cost.

OR

Discuss the role and importance of financial ratio in decision making. What are the limitations of ratio analysis?

5. What do you mean by cash flow statement? How it is prepared?

OR

Discuss the role and importance of fund flow statement in management accounting.

6. What is contribution? Explain its uses of management.

OR

What do you understand by break even point? What are the assumptions behind break even point? Draw a break even point graph using imaginary figure.

7. What is a Master Budget? What are its advantages? How is it prepared?

OR

Explain budget and budgetary control. What are the advantages of budgetary control system?

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