UG Even Semester Examination, May 2025

BUSINESS ADMINISTRATION

(2nd Semester)

Course No.: BBA-DSC-152

(Management Accounting)

Full Marks: 70

Pass Marks: 28

Time: 3 hours

The figures in the right margin indicate full marks for the question.

I. Answer any 2 questions each unit. (10x2=20)

UNIT-I

1. Distinguish between Cost Center and Cost Unit.
2. State any two features of management accounting.
3. State the objectives of cost accounting.

UNIT-II

4. Distinguish between shut-down cost and sunk-cost.
5. Give one example each of Fixed cost and Variable cost.
6. How is Prime cost computed?

UNIT-III

7. What do you mean by responsibility centres?

8. Mention any two examples of basic of allocation of overhead.

9. What is transfer pricing?

UNIT-IV

10. What do you man by absorption costing?

11. How do you interprete a Break Even Point?

12. What is Margin of Safety?

UNIT-V

13. Mention any two limitations of standard costing.

14. Classify Material Cost Variance.

15. What is the objectives of variance analysis?

II. Answer any 1 question out of 2 from each unit. (10x5=50)

UNIT-I

1. Discuss the importance of management accounting in managerial decision-making.

2. Explain the key differences between management, financial and cost accounting.

UNIT-II

3. Smart Automobiles manufactureed 1 lakh vehicles for the Indian market during the last quarter. The production cost included ₹15,00,000 spent on materials, labour and factory charges. Additionally ₹20,00,000 was

B	4	₹4.00

During April 2024; the actual consumption of material is as under for 100 kgs of output.

Material	Quantity (Kgs)	Rate per Kg
A	750	₹7.00
B	500	₹5.00

Calculate material cost variance, material price, material usage and material mix variance.

10. Explain the following concept.

(a) Material cost variance.

(b) Material usage variance.

(c) Total Labour Efficiencey Variance.

(d) Labour Idle Time Variance.

(e) Labour Mix Variance.

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spent on managerial remuneration, insurance charges and rentals. Smart automobiles had an unit in Jalgaon which is currently subject to court proceedings owing to certain legal alligations. The company abandoned the production in that unit. So far overhead charges of ₹18,00,000 is accounted for in the unit. Further, the company also has an unit in Guwahati facing crisis. This unit generates an annual turnover of 50,00,000 units with marginal cost of ₹5 per unit and fixed cost of ₹800,000.

Based on the above information indentify the different cost types.

4. (a) Give an overview of cost classification. 5+5

(b) Prepare a cost sheet as on 31st July, 2024 from the following information in the books of Jacob Traders.

	₹
Stock of raw material (1.7.24)	3000
Raw materials purchased	28,000
Stock of raw maerials (31.07.24)	4,500
Manufacturing wages	7000
Depreciation on plant	1500
Factory rent, rates	3000
General Expenses	400
Discount on sales	300
Advertisement Expenses to be fully charged	600
Income tax paid	2000

Sales	50,000

The number of units produced during July was 3000.

The stock of finished goods was 200 and 400 units on 1.07.24 and 31.07.24 respectively. The total cost of the units on hand 01.07.24 was ₹2800.

UNIT-III

5. Discus the meaning, typs and importance of responsibility centres.

6. Write a note on Divisional performance covering the meaning, measures and challenges.

UNIT-IV

7. Explain the various types of budget. Point out the differences between budgeting and standard costing.

8. (a) Given- Margin of Safety ₹8000 (40% of sales), P/V ratio= 50%. You are required to find out (i) Break even sales, (ii) Fixed cost, (iii) Total profit.

(b) Graphically explain the concept of Break Even Point.

UNIT-V

9. For making 10 kg of a chemical the standard material requirement is.

Material	Qnty (Kgs)	Rate per Kg.
A	8	₹6.00