

(Following Paper ID and Roll No. to be filled in your Answer Books)

**PAPER ID :**

**Roll No.**

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**M.B.A.**

**Theory Examination (Semester-II) 2015-16  
MANAGEMENT ACCOUNTING AND CONTROL**

**Time : 3 Hours**

**Max. Marks : 100**

**SECTION A**

**1. Answer following questions:**

**(2X10=20)**

- What are various types of costs?
- What is budgetary control?
- What is direct costing?
- What is labor cost variance?
- What is life cycle costing?
- What is a prime cost?
- What do you mean by value chain analysis?
- What is responsibility accounting?
- Differentiate between fixed and flexible budget?
- What is P/V ratio?

**SECTION B**

**2. Answer any five questions:**

**(5X10=50)**

- What are various ways of classification of budgets?
- Bring out the causes responsible for difference in profits shown by financial accounts and cost accounts.
- Differentiate between marginal and absorption costing.
- Explain the advantages of standard costing.
- State the differences between Financial Accounting and Cost Accounting.
- Define costing. Enumerate the advantages of costing.
- What are the characteristics of an ideal costing system?
- What are the matters generally considered in preparing a sales budget?

**SECTION C**

**Answer any two questions:**

**(15X2=30)**

**3. Attempt the following**

a) What is Budget and Budgetary control? What are the steps in budgetary control?

You are given the following data:

Budget output - 80,000

Fixed expenses -Rs.4,00,000

Variable expenses per unit - Rs. 10

Selling price per unit - Rs.20

Calculate:

- BEP.
- Margin of safety.
- Sales required to earn a profit of Rs. 8,00,000
- New BEP, if selling price is reduced to Rs.18.
- New margin of safety at selling price Rs. 18 per unit.

b) Sale of a product amounts to 200 units per month at Rs. 10 per unit. Fixed overhead is Rs. 2 per month and variable cost Rs.6 per unit. There is a proposal to reduce prices by 10 percents. Calculate present and future P/V ratio.

**4. Attempt the following**

a) Given the cost standards for materials consumption are 40kgs at Rs. 10 per kg. Compare the variance when actual are:

- 48 kgs at Rs. 10 per kg.
- 40 kgs at Rs. 12 per kg.
- 48 kgs at Rs. 12 per kg.
- 36 kgs for a total cost of Rs. 360

b) What is Margin of Safety? Explain the methods of calculation of Margin of Safety.

**5. Write short notes on any three of the following:**

- Cost Sheet
- Differential costing
- Overhead variance
- Reconciliation of Cost and Financial Accounting