

MBA

THEORY EXAMINATION (SEM-II) 2016-17
MANAGEMENT ACCOUNTING AND CONTROL

Time : 3 Hours**Max. Marks : 100****Note : Be precise in your answer. In case of numerical problem assume data wherever not provided.****SECTION – A****1. Explain the following:****10 x 2 = 20**

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|-----------------------|--------------------------|
| (a) Investment center | (f) Pre-Determined cost |
| (b) Sales budget | (g) Differential costing |
| (c) Prime cost | (h) Estimated cost |
| (d) Cost accounting | (i) Transfer pricing |
| (e) Direct expenses | (j) Value chain analysis |

SECTION – B**2. Attempt any five of the following questions:****5 x 10 = 50**

- (a) What is management accounting? State the importance of management accounting.
- (b) Why is reconciliation of cost and financial accounting important to managers? What are the causes for the difference between the two set of books?
- (c) Draw a flexible budget for overhead expenses of the basis of the following data and determine the overheads rates at 80%.
 Indirect labor 12000, indirect material 4000, power (30% fixed, 70% variable) 20000, repairs (60% fixed, 40% variable) 2000, depreciation 11000, insurance 3000, others 10000, total overheads 62000, estimated direct labor hours 124000 hours.
- (d) What is master budget? Explain the various steps of master budget? Explain the concept of zero based costing.
- (e) Discuss the importance of cost- volume analysis. Explain its applications.
- (f) “Responsibility accounting is not only a control device but also helpful in decision making”. Comment.
- (g) Differentiate between marginal costing and differential cost analysis. Give suitable examples.
- (h) Mention the conditions of an effective system of standard costing.

SECTION – C**Attempt any two of the following questions:****2 x 15 = 30**

3. State the various labor variances with its applications. Also discuss some formulas.
4. What is budgeting? Explain the various types of budgeting? Differentiate between fixed and flexible budgeting.
5. Unit selling price Rs. 10 per unit, variable manufacturing cost Rs. 5.50 per unit, variable selling cost Rs. 1.50, fixed factory expenses Rs. 270000 and selling overhead Rs. 126000
- How many units are needed to be sold to breakeven?
 - How many sales volume is required to earn a profit of Rs. 30000
 - How many units are to be sold to earn a profit of 20% on sales? How much profit is earned at sales of Rs. 2000000?