

MBA.II/04.17.0490

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MBA (TT)/MBA (IB) DEGREE II SEMESTER EXAMINATION APRIL 2017

SMT 2205/SMI 2205 MANAGEMENT ACCOUNTING
(Supplementary)

Time: 3 Hours

Maximum Marks: 50

PART A

(Answer **ALL** questions)

(5 × 2 = 10)

1. What is meant by Contribution Margin?
2. Define Management Accounting.
3. What is Time booking?
4. What is meant by Normal Loss in process costing? How is it accounted for?
5. Define Master Budget.

PART B

(Answer **ANY FIVE** questions)

(5 × 4 = 20)

6. What is Cost sheet? Give the format of a cost sheet using imaginary figures.
7. Write Notes on:
 - (i) ABC Analysis.
 - (ii) VED Analysis.
8. The annual consumption of material P is 12800 units. Value of each unit is ₹30. Inventory carrying cost is 10% of the unit cost per annum. Ordering cost is ₹75. Calculate (i) EOQ and (ii) Number of orders to be placed in a year.
9. Distinguish between Allocation and Apportionment of overheads.
10. What is meant by by-products? How they are accounted in process costing?
11. What is Cash Budget? What is its importance?
12. What is Material Cost Variance? What are the reasons for this variance?

(P.T.O.)

PART C(Answer *ANY TWO* questions)

(2 × 10 = 20)

13. Define Budgetary Control? Briefly explain the essential requirements to implement budgetary control system in an organization.
14. From the following particulars, calculate Material cost variance, Material price variance, Material usage variance and Material mix variance.

| Material | Standard Mix | Total ₹ | Actual Mix | Total ₹ |
|----------|---------------|------------|-----------------|------------|
| x | 110 kgs @ ₹ 2 | 220 | 120 Kgs @ ₹2.25 | 270 |
| y | 90 kgs @ ₹ 4 | 360 | 80 Kgs @ ₹ 3.50 | 280 |
| Total | 200 | 580 | 200 | 550 |

Standard Output is 180 units and actual output is 162 units.

15. M/s Govind & Sankar manufactured and sold 2000 machines during the year 2015-16. The details of cost and sales are as shown below.

| Items | Amount ₹ |
|------------------------|-------------|
| Cost of materials | 1,60,000 |
| Wages paid | 2,40,000 |
| Manufacturing expenses | 1,00,000 |
| Salaries of staff | 1,20,000 |
| Rent and Rates | 20,000 |
| Selling expenses | 60,000 |
| General expenses | 40,000 |
| Sales | 8,00,000 |

The firm plans to manufacture 2400 machines during the year 2016-17. You are required to prepare the cost sheet showing a profit of 10% on selling price.

Additional information:

- The price of materials will increase by 20%.
- Wage rates will be increased by 5%.
- Manufacturing expenses per unit will rise in proportion to the combined cost of materials and wages.
- Selling expenses per unit will remain unchanged. And
- Other expenses will remain unaffected by the increase in output.
