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MBA(P)II/05.14 .0536

**MBA (PT) DEGREE II SEMESTER EXAMINATION MAY 2014**

**SMP 2204 MANAGEMENT ACCOUNTING**  
(Regular & Supplementary)

Time: 3 Hours

Maximum Marks: 50

**PART A**  
(Answer *ALL* questions)

(5 x 2 = 10)

1. What is VED analysis?
2. Distinguish between allocation and absorption of overheads.
3. What is meant by labour turnover?
4. What is the accounting treatment of normal loss in process costing?
5. Define marginal costing.

**PART B**  
(Answer *ANY FIVE* questions)

(5 x 4 = 20)

6. The annual requirement of a material is 12800 quintals. Cost of materials per quintal is ₹80/- and carrying cost is 10%. Cost of placing an order is ₹120/-. Calculate the EOQ. Also calculate the number of orders to be placed during the year.
7. Distinguish between time keeping and time booking.
8. Briefly explain the purposes for which marginal costing is applied.
9. Distinguish between financial accounting and management accounting.
10. What is process costing? What are its features?
11. What is material cost variance? What are the reasons for it?
12. What is functional budget? How is it different from master budget?

(P.T.O.)

**PART C**  
(Answer *ANY TWO* questions)

(2 x 10 = 20)

13. A product passes through two processes. The output of process I forms the input of process II and the output of process II is transferred to the warehouse. The quantity of raw materials introduced into process I is 20,000kgs. @ ₹10 per kg. The cost and output data for the month under review are as under;

Particulars	Process I	Process II
Other direct materials	₹60,000/-	₹40,000/-
Direct Labour	₹40,000/-	₹30,000/-
Production overhead	₹39,000/-	₹40,250/-
Normal loss	8%	5%
Output	18,000	17,400

You are required to prepare the process accounts.

14. From the following details relating to the receipt and issue of material X, prepare stores ledger account using weighted average price method.

2014	Opening stock	: 2000 units @₹5/- per unit
January 1.		
Jan.3	Issue	: 1500 units
Jan.8	Receipt	: 4500 units @₹6/- per unit
Jan.11	Issue	: 1200 units
Jan.14	Receipt	: 3000 units @₹5.50/- per unit
Jan.17	Receipt	: 1800 units @₹5.80/- per unit
Jan. 20	Issue	: 1100 units
Jan.30	Issue	: 800 units

15. Explain with the help of examples, the Halsey Premium Plan and Taylor's Differential Piece Rate System.

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