

**Printed Pages : 5**



**MB204**

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

**PAPER ID : 270235**

**Roll No.**

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### **MBA**

(SEM. II) THEORY EXAMINATION, 2014-15  
**MANAGEMENT ACCOUNTING AND CONTROL**

Time : **3 Hours**]

[Total Marks : **100**

**Note :** Attempt questions from all sections as directed.

### **SECTION - A**

1. Answer any four questions. **4x5=20**

All questions carry equal marks.

- (a) Give the points of comparison between management accounting & cost accounting.
- (b) Define machine hour rate. How it is calculated.
- (c) Define marginal costing and how it differs from absorption.
- (d) What is activity based costing and target costing?

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**1**

**[ Contd...**

- (e) What do understand by cost and its types?

### SECTION - B

**2** Attempt any three of the following 3x10=30  
questions :

- (a) "Management accounting is concerned with accounting information which is useful to management." Explain.
- (b) Explain the causes of difference between costing profit and financial profit. Give specimen of reconciliation statement.
- (c) Explain the term transfer pricing. Discuss the various methods of transfer pricing.
- (d) What is life-cycle costing? Describe its characteristics and benefits.
- (e) What do you mean by overhead variance? Discuss it types of overhead variance.

### SECTION - C

Answer the following questions : 5x10=50

- 3** Explain the term 'budgetary control? Discuss the objectives & advantages of budgetary control.

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[ Contd...

What do you mean by cost-volume profit analysis? Discuss the utility of determining cost- volume profit relationship.

- 4 Explain the methods of costing and its objectives of cost accounting

**OR**

Explain the importance of cost accounting as tool of management decision making

- 5 What is the significance of the term variance relating to standard costing? What type of variance is computed for (a) material (b) labour.

**OR**

“Responsibility accounting is not only a control device but also helpful in decision making”. Comment.

- 6 What is target costing? What are the stages involved in target costing?

**OR**

What are the types of responsibility centre? Discuss its significance in performance measurement.

- 7 Prepare cash budget for three month ending 30 April 2014. Budget figures are.

	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>
Purchases	50,000	40,000	30,000	40,000
Wages	40,000	50,000	40,000	40,000
Variable Expenses	4,000	5,000	4,000	4,000
Sales	60,000	70,000	80,000	80,000

**Other information-**

- Sales 20% cash and remaining will be collected after 1 month
- Purchase is made to one month credit.
- Plant purchase for 10000 to be made in April 2014
- Opening balance of cash as on 1 Feb 125000
- Delay in payment of wages half month.

**OR**

The following data are available in a Jain company for a year ended 31<sup>st</sup> Dec 2014 (5000 Unit produced at 50% capacity).

<b>Fixed Expenses</b>	
Salaries & wages	4000
Rent and taxes	3000
Depreciation	3000
<b>Semi – Variable Expenses (at 50% capacity)</b>	
Repair & Maintenance (50% fixed)	6000
Indirect Wages (40% fixed)	4000
Selling exp (20% fixed)	3000
<b>Variable Expenses (at 50% of capacity)</b>	
Materials	22000
Wages	20000
Variable expenses	5000

Prepare flexible budget for the year and forecast total cost and profit at 60%, 75% and 100% of capacity. Sales at 60% capacity are Rs 1,00,000, at 75% capacity are Rs1,35,000 and at 100% capacity Rs 1,50,000.