

Subject Code: MB930/R09

M B A - III Sem Regular & Supplementary Examinations, Apr/May-2014
COSTS AND MANAGEMENT ACCOUNTING.

Time: 3 hours

Max Marks: 60

Answer any **FIVE** of the following
All questions carry equal marks. **Q.No.8 is compulsory**

1. Discuss the role accounting information in planning and control.
2. Distinguish between cost control and cost reduction, Explain the terms Direct expenses and indirect expenses with suitable examples.
3. (a).Prepare a cost sheet.

	Rs.	Rs.
Opening stock of Raw materials.	62,000	
Closing stock of raw materials	14,600	
Opening stock of Work-in-progress.	8,000	
Closing stock of Work-in-progress	2,900	
Opening stock of finished goods	4,800	
Closing stock of finished goods	3,900	
Direct material purchases	46,000	
Direct labour	12,000	
Works overheads	8,600	
Office overheads		4,700
Selling overheads	3,900	
Sales	2,10,000	

- (b).What are the points you will take into consideration while submitting a Quotation or a Tender?
4. Distinguish between marginal costing and absorption costing. What are the different applications of marginal costing?
5. From the following information, calculate
 - (a). BEP,
 - (b). Number of units that must be sold to earn a profit of Rs. 66,000 per year,
 - (c). Number units that must be sold to earn a net income of 10% on sales.Sales price = Rs. 20 per unit
Variable cost= Rs. 14 per unit
Fix ed costs= Rs. 81,000.



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6. Discuss the importance of Zero Based Budget in the light of present day financial crisis.
7. What is standard costing and how it is different from budgetary control?
8. **CASE STUDY:**

A Department of Company X attains sales of Rs. 6,00,000 at 80% of its normal capacity and its expenses are as follows.

Administration costs:

Office salaries	Rs. 90,000
General expenses	2% of sales.
Depreciation	Rs. 7,500
Rates and Taxes	Rs. 8,750

Selling Costs:

Salaries	8% of sales
Travelling expenses	2% of sales
Sales office	1% of sales
General expenses	15 of sales

Distribution costs:

Wages	Rs. 15,000
Rent	1% of sales
Other expenses	4% of sales

Draw up flexible administration, and selling and distribution costs budget, operating at 90%, 100% and 110% of normal capacity.

