Roll No. ................................

Total No. of Questions : 6] [Total No. of Printed Pages : 7

(2103)

# BBA (CBCS) RUSA IIIrd Semester Examination

# 3543

## MANAGEMENT ACCOUNTING

(Core Course)

BBA-303

Time : 3 Hours] [Maximum Marks : 70

*Note* :– Attempt *six* questions in all. Question no. 1 and Question no. 2 in Part–A are compulsory. Attempt remaining *four* questions, selecting *one* question from each Unit of Part–B.

## Part–A

1. Attempt all the multiple-choice questions :

   (i) Management Accounting provides valuable services to management in performing :

      (a) Controlling function

      (b) Planning function

(c) Staffing function

(d) All managerial functions

(ii) In any organization, profits depend mainly on :

(a) Production cost

(b) Production output

(c) Revenue

(d) All of these

(iii) Total of prime cost and factory overheads is :

(a) Selling cost

(b) Development cost

(c) Factory cost

(d) Distribution cost

(iv) The cost of second best foregone alternative is :

(a) Sunk cost

(b) Opportunity cost

(c) Fixed cost

(d) Process cost

(v) Standard costing cannot be used :

(a) Where management is inefficient

(b) Workers are slow

(c) Non standard products are manufactured

(d) None of these

(vi) At break-even point :

(a) Total expenses are equal to total revenue

(b) Total expenses are greater than total revenue

(c) Total expenses are less than total revenue

(d) None of these

(vii) The main objective of budgetary control is :

(a) To define the goals of the organization

(b) To co-ordinate different departments or sub-units

(c) To establish a system of planning and control

(d) All of these

(viii) The difference between actual cost and standard cost is known as :

(a) Profit

(b) Differential cost

(c) Variance

(d) Contribution

(ix) Which of the following is a financial budget?

(a) Cash budget

(b) Working capital budget

(c) Capital budget

(d) All of these

(x) Standard costing involves the :

(a) Fixation of estimated cost

(b) Determination of standard cost

(c) Setting of budgeted cost

(d) None of these

1½×10=15

2. Write short answers in approx. **100** words (Attempt any *five*) :

(i) Define financial accounting.

(ii) Define variable overheads.

(iii) Define factory cost.

(iv) What is contribution ?

(v) What is historical cost ?

(vi) What do you mean by cash break-even point ?

(vii) What is meant by angle of incidence ?

(viii) What is meant by sales budget ?

(ix) Define idle time variance.

(x) Define responsibility centres. 3×5=15

## Part–B

### Unit–I 10×1=10

3. Explain the characteristic features of management accounting. What are the tools, which make it useful for the management ?

Budgetory control

*Or*

What are the components of total cost ? Draw a format of cost sheet.

**Unit–II** 10×1=10

4. What do you understand by the term 'Cost-volume-profit' relationship ? Why is this relationship important in business management ?

*Or*

The following figures of sales and profits for two periods are available for a business house :

| | **Sales (₹)** | **Profit (₹)** |
|---|---|---|
| Period 1 | 15,000 | 400 |
| Period 2 | 19,000 | 1,150 |

Calculate :

(i) P/V ratio

(ii) Fixed cost

(iii) Break-even point

(iv) Profit at an estimated sales of ₹ 12,000

(v) Sales required to earn a profit ₹ 2,000

## Unit–III

10×1=10

5. Describe the essential steps of a budgetary control system.

*Or*

What is responsibility accounting ? Explain essential features of responsibility accounting.

## Unit–IV

10×1=10

6. Discuss the advantages and limitations of standard costing.

*Or*

The standard material required for producing 100 units is 120 kgs. A standard price of 0.50 paise per kg. is fixed and 2,40,000 units were produced during the period. Actual materials purchased were 3,00,000 kgs at a cost of ₹ 1,65,000. Calculate the material cost variance, material price variance and material usage variance.