LOYOLA-INTERNATIONAL ACADEMIC COLLABORATION
LOYOLA COLLEGE CHENNAI – 600 034

BBA-FRANCE END SEMESTER EXAMINATION

THIRD SEMESTER – NOVEMBER 2024

BBAFR 336 – MANAGEMENT ACCOUNTING

Date: 07-11-2024 Dept. No. Max. : 100 Marks

Time: 01:00 pm-04:00 pm

SECTION – A

Answer All questions **(10 x 2 = 20 marks)**

1) What do you understand by Management Accounting?
2) Explain the meaning of 'Prime Cost'.
3) List out the objectives of job costing.
4) Mention some industries in which process costing is usually employed.
5) What do you understand by 'contribution'?
6) Define the concept of 'Budget'.
7) What is cash budget?
8) Write a short note on 'Standard costing'.
9) What do you mean by Activity Based Costing?
10) What is Transfer Pricing?

SECTION – B

Answer any Five of the following questions **(5 x 8 = 40 marks)**

11) During the year 2018, Z Ltd produced 50,000 units of a product. The following were the expenses:

	Rs.
Stock of raw materials on 01.01.2018	10,000
Stock of raw materials on 31.12.2018	20,000
Purchases	1,60,000
Direct Wages	75,000
Direct Expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a cost sheet showing cost per unit and total cost at each stage.

12) 'Management Accounting is concerned with accounting information which is useful to management' – Elucidate.

13) From the following information relating to X Ltd., you are required to find out a) P/V Ratio b) BEP c) Profit d) Margin of Safety e) Volume of sales to earn profit of Rs.6,000.

	Rupees
Total fixed costs	4,500
Total Variable Costs	7,500
Total Sales	15,000

14) Calculate material cost variance, material price variance and material usage variance from the following data:

	Standard	Actual
Quantity	200 kgs	260 kgs
Price	Rs.2 per kg	Rs.1.5 per kg
Value	Rs.800	Rs.690

15) The following particulars are obtained from the records of a company manufacturing two products A and B.

Particulars	Per unit Product A	Per Unit Product B
Selling Price	200	400
Material Cost (Rs.20 per kg)	40	100
Direct wages (Rs.6 per hour)	60	120
Variable overhead	20	40

Total Fixed overhead is Rs.10,000.

Comment on profitability of each when production capacity in hours is the limiting factor.

16) The following data is available in respect of Job No. 100:

Direct Materials: Rs.17,000; Wages 160 hours at Rs.50 per hour. Variable over heads incurred for all jobs Rs.80,000 for 2000 Labour Hours. Fixed overheads are absorbed at Rs.20 per hour. Find the profit or loss from the job if the job is billed for Rs. 50,000.

SECTION - C

Answer any Two of the following questions **(2 x 20 = 40 marks)**

17) Kunal Kothari Products produces and sells a product for which total capacity of 2,000 units exists. The following expenses are for the production of 1,000 units of the product which is sold at Rs.130 per unit.

Particulars	Per Unit Rs.
Direct Materials	20
Direct Wages	30
Administration overheads (constant)	20
Selling expenses (50% fixed)	10
Distribution expenses (25% fixed)	20
	100

You are required to prepare a flexible budget for the production and sale of 1,200 units, 1,600 units and 2,000 units, showing clearly the marginal (variable) cost and total cost at each level.

18) Identify three cost-based transfer prices. What are the disadvantages of cost-based transfer prices? When might it be appropriate to use cost-based transfer prices?

19) Sundaram Motors Company manufactures three products: X, Y and Z. Data for the period just ended is as follows:

Particulars	X	Y	Z
Production (Units)	20,000	25,000	2,000
Sales Price (Per Unit)	Rs.20	Rs.20	Rs.20
Material Cost (Per unit)	Rs.5	Rs.10	Rs.10
Labour Hours (Per Unit)	2 hours	1 hour	1 hour

(Labour is paid at the rate of Rs.5 per hour)

Overheads for the period were as follows:

Particulars	Rs.
Set-up Costs	90,000
Receiving	30,000
Despatch	15,000
Machining	55,000
	1,90,000

Cost driver data	X	Y	Z
Machine hours per unit	2	2	2
Number of set up	10	13	2
Number of deliveries received	10	10	2
Number of orders dispatched	20	20	20

a) Calculate the cost and profit per unit, absorbing all the overheads on the basis of labour hours.
b) Calculate the cost and profit per unit, absorbing the overheads using an Activity Based Costing (ABC) approach.

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