B. COM
Second Semester
MANAGEMENT ACCOUNTING
(BCM- 10 E)

Duration: 3Hrs. **Full Marks: 70**

PART-B (Descriptive)

Duration: 2 hrs. 40 mins. **Marks: 50**

1. Answer the following questions (any five): 2 × 5=10

a) Define budget and budgetary control.

b) What is marginal costing?

c) Differentiate management accounting and cost accounting.

d) Define marginal cost.

e) What do you mean by Cash budget?

f) What is a Variance?

g) What is Standard Cost?

2. Answer the following questions (any five): 3 × 5=15

a) Discuss tools of Management Accounting.

b) Discuss any three objectives of management accounting.

c) What is the significance of' Budgetary Control' in modern business?

d) What is a `Flexible Budget' and how it is different from ` Fixed Budget'?

e) What is Break Even Point?

f) Define Variable cost and Fixed Cost.

g) Discuss any three benefits of budgeting.

3. **Answer the following questions (any five):** **5 × 5=25**

a) Differentiate between Financial Accounting and Management Accounting.

b) Explain the importance of Management Accounting as a tool of Management decision making.

c) Explain the benefits of Marginal Costing.

d) For the production of 10000 electric automatic Irons; the following are the budgeted expenses:

	Per unit (Rs)
Direct Material	60
Direct Labour	30
Variable Overhead	25
Fixed Overhead (Rs.150000)	15
Variable Expenses (Direct)	5
Selling Expenses (10% Fixed)	15
Administrative Expenses	
(Rs. 50000 fixed for all levels of production)	5
Distribution Expenses (20% fixed)	5
Total Cost of Sale	= 160

Prepare a budget for the production of 8000 irons.

e) From the following calculate :

(i) P/V ration (ii) Fixed Cost (iii) Break Even Point (iv) Required Sales to earn a Profit of Rs. 40000 (v) Margin of Safety

Year	Sales	Profit
2012	Rs.140000	Rs. 15000
2013	Rs.160000	Rs. 20000

f) ABC Co. wishes to arrange overdraft facilities with its bankers during the period April to June when it will be manufacturing mostly for stock. Prepare a Cash Budget including the extent of bank facilities the company will require at the end of each month for the above period from the following data.

	Sales	Purchases	Wages
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,25,000	2,68,000	15,000

i) 50 per cent of credit sales is realised in the month following the sale and the remaining 50 per cent in the following second month. Creditors are paid in the month following the month of purchase. Lag in payment of wages is one month.

ii) Cash at bank on the 1st April (estimated) is Rs. 25,000.

g) From the following data calculate Material Cost Variance and Material Price Variance.

Materials	Standard		Actual	
	Quantity (units)	Price (Per Unit)	Quantity (units)	Price (Per unit)
A	80	8.00	90	7.50
B	70	3.00	80	4.00

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REV-00
BCM/07/12 2014/06

B. COM
Second Semester
MANAGEMENT ACCOUNTING
(BCM- 10 E)

Duration: 20 minutes **Marks – 20**

PART A- (Objective)

Time: 20 mins **Total Marks: 20**

I. Choose the correct answer from the following: **1×20=20**

1. Management Accounting relates to:
   (a) Recording of accounting data
   (b) Recording of costing data
   (c) Presentation of accounting data

2. Financial accounting deals with:
   (a) Determination of costs
   (b) Determination of Profits
   (c) Determination of prices

3. The primary goal of management accounting is to :
   (a) Interpret the financial data
   (b) Record all business transactions
   (c) Provide information for planning, decision making etc.

4. The use of Management accounting is:
   (a) Compulsory (b) Optional (c) Obligatory

5. Contribution margin is also known as :
   (a) Marginal Income (b) Gross Profit (c) Net Profit

6. Period Costs means:
   (a) Variable costs (b) Fixed costs (c) Prime Costs

7. When fixed costs is Rs.20000 and P/V Ratio is 50% the breakeven point will be
   (a) Rs.40000 (b) Rs.20000 (c) Rs.60000

8. Standard Costs are :
   (a) Ideal Cost (b) Normal Cost (c) Reasonably attainable cost

9. The type of costing which is most suitable for cost control purpose is:
   (a) Standard costing (b) Post Costing (c) Continuous costing

10. One of the objective of standard costing is to :
    (a) Promote performance
    (b) Control and reduce costs
    (c) Simplify production operation

11. Standard costing involves in the :
    (a) Fixation of estimated cost
    (b) Determination of standard cost
    (c) Setting of budgeted cost

12. The difference between actual cost and standard cost is :
    (a) Variance (b) Profit (c) Differential cost

13. Standard costing helps in:
    (a) Measuring efficiency (b) Reducing losses (c) Controlling prices

14. Cash budget is a :
    (a) Master budget (b) Functional budget (c) Expenditure budget

15. Sales budget is a :
    (a) Functional budget (b) Master Budget (c) Expenditure budget

16. The difference between fixed and variable cost has a special significance in the preparation of :
    (a) Flexible budget (b) Master budget (c) Cash budget

17. Break Even Point refers to :
    (a) Maximum sales (b) Maximum Profit (c) No Profit No Loss Point

18.Direct Material Cost is included in :

(a) Variable cost (b) Fixed cost (c) Semi-variable cost

19.P/v ratio shows the relationship between:

(a) Profit and cost (b) Sales and Profit (c) Sales and Contribution

20.Margin of Safety refers to :

(a) Breakeven point
(b) Minimum sales
(c) Difference between actual sales and break even sales.

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