

**BACHELOR OF COMMERCE [HONS]  
FIFTH SEMESTER  
MANAGEMENT ACCOUNTING  
BCM- 503A2**

**SET  
A**

**[USE OMR SHEET FOR OBJECTIVE PART]**

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

**(Objective)**

Marks: 20

*Choose the correct answer from the following:*

*1 × 20 = 20*

1. Management Accounting deals with which kind of information
  - a. Qualitative
  - b. Quantitative
  - c. Both A & B
  - d. None of the above
2. Which of the following is/are the tool(s) of Management Accounting?
  - a. Standard Costing
  - b. Marginal Costing
  - c. Budget and Budgetary Control
  - d. All of the above
3. Management Accounting is the branch of accounting concerned with reporting to
  - a. Internal Management
  - b. Shareholders
  - c. The government
  - d. The bankers
4. Which of the following is a scope of Management Accounting?
  - a. Budgeting
  - b. Forecasting
  - c. Cost Accounting
  - d. All of the above
5. Budget is prepared for a \_
  - a. Indefinite period
  - b. Period of one year
  - c. Definite period
  - d. Six months
6. Which of the following is a financial budget?
  - a. Cash Budget
  - b. Capital Budget
  - c. Budgeted Fund flow statement
  - d. Sales Budget
7. Budgetary Control system acts as a friend, philosopher and a guide to the
  - a. Management
  - b. Shareholders
  - c. Creditors
  - d. Employees
8. A flexible budget requires careful study and classification of expenses into
  - a. Past and current expenses
  - b. Fixed, semi-variable and variable expenses
  - c. Administrative, Selling and factory expenses
  - d. None of the above
9. Which of the statement on standard costing is correct?
  - a. It is the method of implementing cost control within the company
  - b. It aid in the organization's planning of business activities
  - c. Both A and B are incorrect
  - d. Both A and B are correct

10. Excess of actual cost over standard cost is known as
  - a. Abnormal effectiveness
  - b. Unfavorable variance
  - c. Favorable variance
  - d. None of these
11. In which industry standard costing system is more widely applied?
  - a. Service Industry
  - b. Manufacturing Industry
  - c. Automobile Industry
  - d. Steel Industry
12. Standard Costing is yardstick for
  - a. Measuring efficiency
  - b. Controlling prices
  - c. Reducing losses of business
  - d. Planning business activities
13. What is another name of variable Cost?
  - a. Period Cost
  - b. Total Cost
  - c. Product Cost
  - d. All of the above
14. The point of profit at which the total cost will be equal to total revenue is called
  - a. Margin of Safety
  - b. Break Even Point
  - c. PV ratio
  - d. None of the above
15. The kind of cost which doesn't differ due to the volume of production is called
  - a. Variable Cost
  - b. Fixed Cost
  - c. Total Cost
  - d. None of the above
16. The marginal cost is calculated for which of the following?
  - a. Manufacturing of one additional unit
  - b. Manufacturing of one less unit
  - c. Both A and B
  - d. None of the above
17. ERP support \_\_\_\_\_ currency value.
  - a. Multiple
  - b. Single
  - c. Three
  - d. Five
18. The most important step of ERP implementation is \_\_\_\_\_ phase.
  - a. Installing
  - b. Training
  - c. Testing
  - d. Gap analysis
19. An enterprise is a group of people with \_\_\_\_\_.
  - a. Common Goal
  - b. Separate goal for each department
  - c. Multiple goal
  - d. None of the above
20. The CRM system, consist of \_\_\_\_\_ components.
  - a. 2
  - b. 3
  - c. 5
  - d. Multiple

-- -- --

**( Descriptive )**

Time : 2 Hr. 30 Mins.

Marks : 50

[ Answer question no.1 & any four (4) from the rest ]

1. Define Management Accounting. Discuss the objectives of Management Accounting. 10
  
2. Distinguish between Management Accounting, Cost Accounting and Financial Accounting. 10
  
3. The following are the expenses for the production of 10000 units of a product. 10

Particulars	Per unit
Direct material	60
Direct Labour	30
Variable overheads (production)	25
Fixed overhead (Rs.1,50,000)	15
Variable expenses (Direct)	5
Selling expenses (10% fixed)	15
Administrative expenses (Rs.50,000 rigid for all the level of production)	5
Distribution expenses (20% fixed)	5
	160

Prepare a budget for production of 6000, 7000 and 8000 units showing distinctly marginal cost and total cost.

4. The standard cost of a certain chemical mixture is given below: 10  
200 tons of Material A at Rs.30 per ton.  
100 tons of material B at Rs.20 per ton.  
Actual data for the mixture are:  
180 tons of Material A at Rs.34 per ton.  
150 tons of material B at Rs. 18 per ton.  
Reconcile actual cost with Standard cost in terms of all possible variances. Assume that standard loss is 10% of input and actual production is 290 tons.

5. X Ltd. which produces two products using same raw materials and production facilities, provides you the following information:

10

Particulars	Product A (Rs)	Product B (Rs)
Selling Price per unit	100	80
Material @ Rs. 2 per kg	20	10
Labour @Rs. 3 per hour	15	30
Variance overheads @ Rs.4 per machine hour	40	16
Total fixed cost Rs. 6,00,000		

Comment on the profitability of each product when:

- Sales quantity is limited;
- Sales value is limited;
- Raw material is in short supply;
- Labour hours are limited;
- There is a low demand condition.

6. Zen Enterprise currently produces three products, A, B, and C, at the rates of 4000, 6000, and 8000 units, respectively. The cost and selling price per unit are as follows:

10

	A (Rs)	B (Rs)	C (Rs)
Variable cost	33	25	20
Fixed overheads	10	7	6
Total cost	43	32	26
Selling Price	65	60	40
Profit	22	28	14

It has been reported that discontinuing any product will improve overall profitability. As the profit per unit for Product C is the minimum, it is suggested that Product C should be discontinued. If one product line is discontinued, the production of A will increase by 50%, B by 40%, and C by 50%.

Do you agree with the scheme in principle? If yes, should Product C be discontinued?

7. Explain the concept of Enterprise Resource Planning (ERP). Discuss the advantages and disadvantages of implementing ERP systems in organizations.

3+4+3=10

8. Discuss how spreadsheets serve as essential tools in managerial decision-making.

10

= = \*\*\* = =