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MBA (Finance) III Semester Regular & Supplementary Examinations November/December 2017

COST & MANAGEMENT ACCOUNTING

(For students admitted in 2014, 2015 & 2016 only)

Time: 3 hours Max. Marks: 60

Answer any FIVE questions
All questions carry equal marks

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1 Explain the purpose and objectives of management accounting. To what extent does this subject differ from:
   (a) Financial accounting.
   (b) Cost accounting.

2 What is inventory control? What are the techniques of inventory control?

3 What do you understand by the term "OVERHEAD"? Define the term and give its classification.

4 An article passes through three processes of manufacture. From the following figures, show the cost of each of three processes during the month of September 2017.

	Process I	Process II	Process III
	Rs.	Rs.	Rs.
Materials used	15,000	5,000	2,000
Labour	8,000	20,000	6,000
Direct expenses	2,600	7,200	2,500

The indirect expenses amounting to Rs.8,500 may be apportioned on the basis of wages. No amount need be taken of stocks in hand and work-in-progress at the beginning and close of the month. The number of articles produced during the month was 240.

5 A radio manufacturing company finds that while it costs each to make component X273φ the same is available in the market at Rs.575 each, with an assurance of continued supply. The break-down of cost is:

	Rs.
Materials	2.75 each
Labour	1.75 each
Other variables	0.50 each
Dep.s other fixed costs	1.25 each
	6.25

   (a) Should you make or buy.
   (b) What would be your decision if the supplier offered component at Rs.4.85 each?

6 (a) What do you mean by budgetary control?
   (b) Write short notes on: (i) Master Budget. (ii) Flexible budget. (iii) Zero based budget.

7 What do you mean by standard costing and its advantages along with limitations?

8 What is inter-firm comparison? Discuss need and types of comparisons with advantages.

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