

**Subjt Code: R16MBA401****MBA - IV Semester Regular Examinations, April - 2018****COST AND MANAGEMENT ACCOUNTING****Time: 3 hours****Max Marks: 60**Question Paper Consists of **Part A** and **Part B**.Answering the question in **Part A** is Compulsory & Four Questions should be answered from Part-B

All questions carry equal marks of 12.

PART-A (CASE STUDY)**1 X 12 = 12**

1. A Manufacturer of 'X' product makes an average profit of Rs. 2.50 per pie on a selling price of Rs. 14.50 by producing 60000 pies at 60% production capacity. His cost of sales **per pie** is:

-	Dirt materials	Rs. 4.00
	Dirt wages	Rs. 1.00
-	Factory over heads(variable)	Rs. 3.00
-	Sales overheads(variable)	Rs .0.25
-	Total fixed cost	Rs. 225000

During current period, he intends to produce the same number of units but anticipates that

- a) Fixed cost will go up by 10%
 b) Material and labour cost go up by 5%

Under these circumstances, he obtains an offer for a further 20% of his capacity. What minimum price you would recommend for acceptance to earn an overall profit of Rs.160000

PART-B**4X 12 = 48**

2. (a) Explain briefly the role of accounting information in planning and control.
 (b) Explain any four cost concepts with their managerial uses.
3. ABC company Ltd., supplies the following information and requires you to prepare a cost sheet:

	Amount (Rs)
1) Stock of raw materials as on 1-9-2006	75000
2) Stock of raw materials as on 30-9-2006	91500
3) Dirt wages	52500
4) Indirt wages	2750
5) Sales	200000
6) Work in process as on 1-9-2006	28000
7) Work in progress as on 30-9-2006	35000
8) Purchase of raw materials	66000
9) Factory rent, rates and power	15000
10) Depriation of Plant & machinery	3500
11) Carriage out ward	2500
12) Advertising	3500
13) Office rent & taxes	2500
14) Stock of finished goods as on 1-9-2006	54000
15) Stock of finished goods as on 30-9-2006	31000



4. (a) What is a limiting factor? Explain
 (b) The following information is extracted from the records of XYZ company.

Particulars	(per unit)	
	Product A	Product B
- Sales (Rs.)	50.00	60.00
Consumption of material(qty)	1 kg	1.50 kg
Material cost (Rs)	5.00	7.50
Dirt wages cost (Rs)	7.50	5.00
Dirt expenses cost (Rs)	2.50	3.00
Overhead expenses (Rs)		
- Fixed	2.50	3.00
- Variable	7.50	10.00

Assuming that raw material is the limiting factor workout which product is profitable.

5. (a) What are the limitations of Break-even analysis?
 (b) Sales were 150000 producing a profit of Rs.20000 in a week. In the next week sales amounting to Rs.200000 afforded producing a profit of Rs. 40000. Find out break even point(BEP)

6. The following data are available in a manufacturing company for a yearly period:

Fixed expenses:

Rs. In Lakhs

Wages and Salaries	9.5
Rent, rates and taxes	6.6
Depreciation	7.4
Sundry administration expenses	6.5

Semi-variable expenses:

Maintenance and repairs	3.5
Indirect labour	7.9
Sales department salaries, etc.	3.8
Sundry administration salaries	2.8

Variable expenses:

Materials	21.7
Labour	20.4
Other expenses	7.9
Total cost	98.0

Assume that the fixed expenses remain constant for all levels of production.

Semi-variable expenses remain constant between 45% to 65% of capacity, and It increases by 10% between 65% to 80% capacity, and It increase by 20% between 80% to 100% capacity.

Sales at various levels are:

50% capacity Rs.100 Lakhs	90% capacity Rs. 180 Lakhs
60% capacity Rs.120 Lakhs	100% capacity Rs. 200 Lakhs
75% capacity Rs.150 Lakhs	

7. a) what is standard cost and standard costing? Explain?
 b) write short notes on material variance?