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Code No: E5302

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

MBA - III Semester Examinations, January 2011

COST AND MANAGEMENT ACCOUNTING

Time: 3hours

Max.Marks:60

Answer any five questions
All questions carry equal marks

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1. List out the different methods of costing and explain their practical application?
2. Define factory overheads explain the different methods of absorption of factory overheads?
3. What is a cost-sheet? Explain the purpose served by it?
4. State the features and characteristics of process costing?
5. Explain the significance and objectives of a break even chart and state the factors which would cause the breakeven point to change.
6. What are the specific cost and non-cost factors that are considered before a make (or) by decision is taken?
7. From the following forecast of

| Month | Sales Rs | Purchases Rs | Wages Rs | Factory expenses Rs | Office expenses Rs |
|-----------|----------|--------------|----------|---------------------|--------------------|
| July | 80000 | 40000 | 5600 | 3900 | 10000 |
| August | 76500 | 42000 | 5800 | 4100 | 12000 |
| September | 78000 | 38500 | 5800 | 4200 | 14000 |
| October | 90000 | 37500 | 5900 | 5100 | 16000 |
| November | 95000 | 43000 | 5900 | 6000 | 13000 |

Sales commission of 4% on sales due in the month following the month in which the sales dues are collected, is payable in addition to office expense. Fixed assets worth Rs 65000 will be purchased in September to be paid for in the following month. Rs 20000 in respect of debentures interest will be paid in October. The period of credit allowed to customers is two months and one month credit is obtained from suppliers of goods. Wages are paid on an average fortnightly on 1 and 16 of each month in respect of dues for period ending on the date preceding such days. Expenses are paid in the month in which they are due

8. For a unit of product A, the standard data is given below.

Material 5 kg @ Rs. 40 per kg 200

Labor.... 40 hrs. @Rs 1.00 per hour 40

240

Cont...2

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Actual data

Actual production 100 units

Materials: 490 kg. @ Re. 42 each Rs. 20,580

Labour: 3960 hrs @Rs. 1.10 per hour 4356

24936

Calculate material variance and labour variance

FIRSTRANKER