

SEAT No. _____

No. of Printed Pages : 02

[A-30 & A-31]

SARDAR PATEL UNIVERSITY
BBA (General) Vth Semester (2010)

2017

Thursday, 16th November

02:00 P.M. to 04:00 P.M.

Management Accounting-UM05CBBA02/07

Maximum Marks: 60

Note: Figure in bracket indicates marks of question.

Q.1 Define management accounting. Focus on the scope and limitation of management accounting. [15]

OR

Q.1a) Write difference between management accounting and financial accounting. [08]

b) What is the role of management accountant? [07]

Q.2 The following data are available from Om Manufacturing Company Ltd: [15]

₹. (Lakhs)

Fixed Expenses:

Wages and Salaries	16.8	
Rent Rates & Taxes	11.2	
Depreciation	14.0	
Sundry Administrative Expenses	17.8	59.8

Semi Variable Expenses (at 50% capacity)

Maintenances and Repairs	5.0	
Indirect Labour	19.8	
Sales Department Salaries etc	5.8	
Sundry Administrative	5.2	35.8

Variable Expenses (at 50% capacity)

Material	48.0	
Labour	51.2	
Other Expenses	7.6	

Assume that the fixed expenses remain constant for all levels of production. Semi variable expenses remain constant between 45%-65% of capacity increasing by 10% between 65% and 80% capacity and by 20% between 80% & 100% capacity sales at various levels are:

₹. (Lakhs)

60% Capacity	200
75% Capacity	240
90% Capacity	300
100% Capacity	340

Prepare a flexible budget for the half year and forecast the profits at 60%, 75%, 90%, and 100% of capacity.

OR

Q.2 What is budgetary control? Explain the advantages and limitations of budgetary control. [15]

(P.T.O.)

- Q.3 Your company has a production capacity of 20,00,000 units per year. Normal capacity utilization is reckoned as 90%. Standard variable production costs are ₹. 11 per unit. The fixed cost are ₹. 3,60,000 per year. Variable selling costs are ₹. 3 per unit and fixed selling costs are ₹. 2,70,000 per year. The unit selling price is ₹. 20. In the year just ended on 30th June, 2017, the production was 1,60,000 units and sales were 1,50,000 units. The closing inventory on 30/06/17 was 20,000 units. The actual variable production costs for the year were ₹. 35,000 higher than the standard. Calculate profit for the year as per absorption and marginal costing. [15]

OR

- Q.3 What is absorption and marginal costing? Differentiate between absorption and marginal costing. [15]
- Q.4 The standard costs of chemical mix are as follows: [15]
 8 tones of material A at ₹. 40 per tone
 12 tones of material B at ₹. 60 per tone
 Standard yield is 90% of input.
 Actual cost for a period is as under:
 10 tones of material A at ₹. 30 per tone
 20 tones of material B at ₹. 68 per tone
 Actual yield is 26.5 tones.
 Calculate all material variances.

OR

- Q.4 The standard labour component and the actual labour component engaged in a week for a job are as under: [15]

Particular	Skilled workers	Semi Skilled workers	Unskilled Workers
Standard Number of Workers in the gang	32	12	6
Standard wage rate per hour (Rs.)	3	2	1
Actual number of workers employed in the gang during the week	28	18	4
Actual wage rate per hour	4	3	2

During 40 hours working week, the gang produced 1,800 standard labour hours of work.

—————X—————