Seat No:_____ Enrollment No:_____

PARUL UNIVERSITY

FACULTY OF MANAGEMENT

BBA Winter 2019 - 20 Examination

Semester: 6 **Date: 27/11/2019**
Subject Code: 06101355 **Time: 10:30 AM to 1:00 PM**
Subject Name: Management Accounting **Total Marks: 60**

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.

A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) **(05)**

1. When there is more than one type of Raw materials, _____=MMV+MYV
- **a)** MUV **b)** MSUV
- **c)** MVV **d)** None of Above

2. Limiting factor also known as : _____
- **a)** Forecasting Factor **b)** Key Factor
- **c)** Product Factor **d)** All of Above

3. Responsibility When accurate forecast of sales and revenue are not possible during the budget period, management will make use of _____ Budget
- **a)** Fixed **b)** Floating
- **c)** Flexible **d)** Master

4. Which of the following accounting system has wider scope?
- **a)** Cost Accounting **b)** Corporate Accounting
- **c)** Company Accounting **d)** Management Accounting

5. _____ratio is equal to division of Contribution to total sales
- **a)** Profit Volume **b)** Gross Profit
- **c)** Operating Profit **d)** Profit Sales

B). Define the following. (Each of 1 mark) **(05)**

1. Master Budget
2. Sunk Cost
3. Budgetary Control
4. Calendar Variance
5. Marginal Costing

C). Direct questions. (Each of 1 mark) **(05)**

1. What is the variable cost ration if Contribution ratio is 40%?
2. Write and explain the formula of Break Even Point
3. State the advantages of standard costing
4. List out the Tools and techniques of Budgetary Control
5. When does the export proposal accepted?

Q.2 Answer the following questions.

A). Write a short note on "Activity Base Costing" and "Target Costing" **(07)**

B). Define management accounting? Explain scope of management accounting **(08)**

Q.3 Answer the following questions.

A). Define Responsibility accounting? Discuss the types of responsibility centres **(07)**

B). Okha Salt can produce 36000 tones Salt at 100% capacity. Prepare flexible budget for 80% and 100% capacity from the following information are obtained from books of account. **(08)**

Particulars	Per Unit	70% Capacity	Per Unit	90% capacity
Repair and Maintenance	Rs. 1.78	Rs. 45000	Rs. 1.55	Rs. 50400
Power	6.43	162000	5.56	180000
Other Labour	2.50	63000	2.50	81000
Consumable Material	5.00	126000	5.00	162000
Salary	1.98	50000	1.54	50000
Inspection	0.71	18000	0.56	18000
Depreciation	2.26	57000	1.76	57000

Q.4 Attempt any two questions. (Each of 7.5 mark) **(15)**

1. From the following information, calculate the material variances and comment on it

Particulars	**Standards**			**Actual Data**		
	Qty. (KGs)	**Price (Rs.)**	**Amount (Rs.)**	**Qty. (KGs)**	**Price (Rs.)**	**Amount (Rs.)**
Material "X"	3000	2	6000	2700	2.2	5940
Material "Y"	1500	5	7500	1600	4.8	7680
Total	4500		13500	4300		13620
(-) Loss	300		-	250		-
Consume	4200		13500	4050		13620

2 In a factory 10 units of product are produced by three kinds of employee, Named Skilled, Unskilled and Semi-skilled workers, the standards are as follow:

Types	**Hours**	**Wage-Rate (Rs. Per Hour)**	**Total Amount (Rs.)**
Skilled	15	12	180
Unskilled	24	6	144
Semi-Skilled	12	9	108
Total	51		432

Actual Performance: Actual production 1000 units

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Types	Hours	Wage-Rate (Rs. Per Hour)	Total Amount (Rs.)
Skilled	1400	15	21,000
Unskilled	3000	5.4	16,200
Semi-Skilled	1200	9	10800
Total	5600		48,000

Calculate the following variances: Labour cost variance, Wage rate variance, Labour efficiency variance, Labour mix variance

3 Explain in brief the various types of transfer pricing methods?

4 A Company can produce three different kinds of product namely X Y and Z, with the help of same raw material. The labour cost per unit are Rs. 16 per hour. The supply of raw material limited to 41600 unit (Kg) s for the budgeted period, and cost per kg are Rs. 16. Fixed overheads are Rs. 5, 00,000.

Particulars	**Product**		
	X	**Y**	**Z**
Selling price per unit	54	72	90
Raw material require per unit (Kgs)	0.7	0.4	1.5
Labour hour per unit	1	2	1.5
Variable overhead per unit (Rs.)	11.2	22.4	16.8
Maximum Possible sales in Units	32,000	24,000	20,000

From the above information suggest the most profitable sales mix and also determine the profit.