Seat No:_____________ **Enrollment No:_____________**

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA., Summer 2017-18 Examination

Semester: 6 **Date: 22-05-2018**
Subject Code: 06101355 **Time: 10:30AM to 01:00PM**
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. _____ = 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. Differential Cost
3. Flexible budget
4. Sales Variance
5. Marginal Costing

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

1. State the advantages of standard Costing.
2. Give formula of Break Even Point(in units)
3. What would be variable cost ratio if contribution ratio is 60%.
4. List out various stages of product life cycle.
5. What is export proposal?

Q.2 Answer the following questions.

A). Define management accounting and discuss scope of management accounting study. **(07)**

B). RSP Ltd. has supplied following information for two levels of activity: **(08)**

Particulars	**60%**	**100%**
Cost of direct material	9,000	15,000
Direct wages	6,000	10,000
Indirect wages	3,000	5,000
Repairs and maintenance	6,500	9,500
Power and fuel	3,750	5,750
Rent	12,000	12,000
Depreciation	10,000	10,000
Insurance	6,000	6,000
Administrative overheads	10,000	14,000
Selling overheads	6,000	8,000

Total Production capacity at 100 % capacity is 5000 units

Prepare flexible budget for 70% and 90% capacity.

Q.3 Answer the following questions.

A). The Budget Officer of M company ltd. has prepared budget for incoming year and the following information is available from it: **(07)**

Sales (1,00,000 Units) :Rs. 1,00,000

Variable cost : Rs. 40,000

Fixed Cost : Rs. 50,000

From the above mentioned information find out

1. Profit volume ratio
2. Break even point
3. Margin of safety

Also calculate the above three in following situations :

a. Increase in 20% units sold
b. Increase of 5% variable cost

B). Data about a company for march 2018 is as below : **(08)**

Total Direct Labour : Rs. 4320

Direct Standard Hours : 2,000 hours

Standard Wage rate per hour : Rs. 2

Actual Paid Hours : 1800 hours

Abnormal Idle time : 80 hours

Calculate : a. Labour cost Variance

b. Wage rate variance
c. Labour efficiency Variance

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

1. Differentiate between financial accounting and management accounting.
2. The company is producing three different products: The details of the same are as under :

	Product (per unit)		
Particulars	**W**	**T**	**O**
Selling Price (Rs.)	56	52	37
Weight of raw material(kg)	5	6	3
Wage rate per hour (Rs.)	4	4	4
Variable overheads (% of labour cost)	50%	50%	50%
Labour hours required	6	5	4
Raw material price per kg(Rs.)	3	3	3

The total fixed overheads amounts to Rs. 45,000. Find out the optimum product mix assuming that raw material is a limiting factor. If the total raw material available is 49,000 kg, find out optimum profit.

Product	**Units**
W	5,000
T	2,000
O	6,000

3. The standard mix of product M is as follows:

Materials	**Kgs.**	**Price per Kgs.**
a	50	Rs. 5
b	20	Rs. 4
c	30	Rs. 10

The standard loss in production is 10% of the input .There is no scrap value.
Actual Production of M was 7200 kgs.
Actual consumption of material is as follows :

Materials	**kgs.**	**Price per Kgs.**
a	4,160	Rs. 5.50
b	1,680	Rs. 3.75
c	2,560	Rs. 9.50

Calculate the following :

1. Material Cost variance
2. Material Usage variance
3. Material Price variance

Material Mix variance

4. Explain in brief the various types of transfer pricing methods?