

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

Semester: 6
Subject Code: 06101355
Subject Name: Management Accounting

Date: 30/03/2018
Time: 1 hr: 30mints
Total Marks: 30

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. (05)

1. Management accounting is a for management.(Tool / Technique)
2. Management accounting is futuristic in its approach. (True / False)
3. A responsibility centre in which a manager is accountable for costs only is called _____.(Cost Centre / Investment Centre / Profit Centre)
4. Define "Budget"
5. Define "Standard Costing"

Q.2 Answer the following questions (Attempt Any two) (05)

1. Distinguish "Management Accounting" from "Cost Accounting".
2. What is a Budget and how does it helps in Control?
3. Explain Determination of Standard Costs

Q.3 Following information is available from the records of Jay Ltd. for the year end 31st March 2014. (08)

Particulars	Rs. (lakhs)
Fixed Expenses	
Wages and salaries	9.5
Rent, rates and taxes	6.6
Depreciation	7.4
Sundry administrative expenses	6.5
Semi-Variable Expenses (at 50% of capacity)	
Maintenance and repairs	3.5
Indirect labour	7.9
Sales department salaries	3.8
Sundry administrative expenses	2.8
Variable Expenses (at 50% of capacity)	
Materials	21.7
Labour	20.4
Other expenses	7.9
Total	98

Assuming that the fixed expenses remain constant for all levels of production, semi-variable expenses remain constant between 45% and 65% of capacity increasing by 10% between 65% and 80% and by 20% between 80% and 100%.

Sales at various levels Rs. (lakhs)

50% capacity 100

60% capacity 120

75% capacity 150

90% capacity 180

100% capacity 200

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

capacity.

OR

Q. 3 What is Management Accounting? Explain Objectives and Scope of Management Accounting?

Q. 4 (A) For producing one unit of a product, the materials standard is: **(06)**

Material X: 6 kg. @ Rs. 8 per kg., and

Material Y: 4 kg. @ Rs. 10 per kg.

In a week, 1,000 units were produced the actual consumption of materials was:

Material X: 5,900 kg. @ Rs. 9 kg., and

Material Y: 4,800 kg. @ Rs. 9.50 per kg.

Compute the Material variances.

Q. 4 (B) The standard labour component and the actual labour component engaged during the month are given below: **(06)**

Particular	Skilled	Semi-killed	Unskilled
(a) Standard number of workers in a group	30	10	10
(b) Standard wage rate (Rupees per hour)	20	12	8
(c) Actual number of workers employed during the month in the group	24	15	12
(d) Actual wage rate per hour (Rs.)	24	10	8

During the month of 200 working hours, the group produced 9,600 standard hours of work. You are required to calculate: (i) Wage rate variance; (ii) Labour efficiency variance; (iii) Labour mix variance and (iv) Total labour cost variance.