

[Total No. of Questions - 11] [Total No. of Printed Pages - 4]
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MBA 2nd Semester Examination
Cost & Management Accounting (N.S.)
MBA-208

Time : 3 Hours

Max. Marks : 60

The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary/continuation sheet will be issued.

Note : The question paper will consist of THREE sections A, B and C.

- (i) Section A will contain TEN Short Note Type Questions carrying 2 marks each. In this section, all the questions are COMPULSORY.
- (ii) Section B will contain SIX Short Answer Type Questions carrying 5 marks each, out of which the student has to attempt ANY FOUR.
- (iii) Section C will contain FOUR Essay Type Questions of 10 marks each, out of which the student has to attempt ANY TWO.

SECTION - A

1. (a) Cost Centre & profit centre
- (b) Breakeven point
- (c) Bin card
- (d) Target Costing
- (e) Marginal Vs Absorption Costing

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[P.T.O.]

- (f) Overhead Variance
- (g) Danger level
- (h) Master Budget
- (i) Prime cost Vs Work costs
- (j) Life Cycle Costing. **(2×10=20)**

SECTION - B

2. "Costing is reality and pricing is a policy" Comment.
3. Define the importance of Material Control. Also discuss various techniques of Material control.
4. What is the role of Activity Based Costing in Cost Management. Describe its applications in modern era?
5. Define standard costing. Explain various types of Variance Analysis and its significance.
6. Calculate:

Period	Sales	Profit
I	1,20,000	9000
II	1,40,000	13,000

- (a) P/V ratio
 - (b) Amt. of Fixed Expenses
 - (c) Break Even point for Sales
 - (d) Profit when Sales are of Rs. 1,00,000
7. What do you understand by Budgetary Control? Explain the importance of Zero based budgeting in modern era. **(4×5=20)**

SECTION - C

8. Define the role of Responsibility Accounting & Transfer Pricing in Cost Management. Also explain its managerial implications.
9. A Department of Company X attains sales of Rs. 600000 at 80% of capacity and other expenses are following:

Administration Costs:

Office salaries	Rs. 90000
General Expenses	2% of sales
Depreciation	7500
Rates & taxes	8750

Selling Costs:

Salaries	8% of sales
Travelling Expenses	2% of sales
Sales Office	1% of sales
General Expense	1% of sales

Distribution Costs:

Wages	15000
Rent	1% of sales
Other Expenses	4% of sales

Draw up the Flexible budget operated at 90% and 110% capacity.

10. (i) What is "angle of incidence" in marginal costing. Explain with the help of suitable example.

[P.T.O.]

- (ii) Following particulars are extracted from records of XYZ Company.

	Product A (Per unit)	Product B (Per unit)
Sale price (Rs.)	100	110
Consumption Of material (Kg.)	5	4
Material cost	24	14
Direct Wages	2	3
Machine hours used	2	3
Variable overheads	4	6

Comment on profitability of each product when:

- (i) Total sales potential in units is limited
- (ii) Total sales potential in values is limited
- (iii) Raw material is in short supply
- (iv) Production capacity (in Machine hours) is the limited factor.

11. "Is Costing - an aid to management". Comment. Also differentiate Cost Accounting with Management Accounting. **(2×10=20)**