

OPTION—C

Course No. : COMDSE-601T (C)

(Management Accounting)

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. Define Management Accounting.
2. Write one limitation of Management Accounting.
3. Write two techniques of financial statement analysis.
4. What is decision accounting?
5. What is forecasting?
6. What is inventory control?
7. What is reporting to management?
8. Write two objectives of budgetary control.

9. What is budget manual?
10. What is master budget?
11. What is zero-base budgeting?
12. What is activity ratio?
13. What is budget period?
14. What is profit centre?
15. What is idle time variance?
16. What is material usage variance?
17. What is current standard?
18. What is cost centre?

19. What is target cost?
20. What is break-even point?
21. What is angle of incidence?
22. Write two advantages of marginal costing.
23. What is contribution?
24. What is product mix?
25. Write two methods of pricing.

SECTION—B

Answer any *five* of the following questions : $2 \times 5 = 10$

26. What are the limitations of break-even charts?
27. What is profit-volume ratio?

28. Define margin of safety.
29. What is responsibility accounting?
30. What is responsibility centre?
31. Define rolling budget.
32. What is absorption costing?
33. What is limiting factor?
34. Write the formula of desired sales.
35. What is make-or-buy decision?

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

36. Discuss in detail the nature and functions of Management Accounting.
37. Distinguish between Management Accounting and Cost Accounting.

38. Discuss the importance of budgetary control.
39. With the help of the following data for 50% activity, prepare a budget for production at 75% and 100% capacity :
- Production at 50% capacity—5000 units
Materials—₹ 100 per unit
Labour—₹ 30 per unit
Expenses—₹ 20 per unit
Factory Expenses (40% fixed)—₹ 50,000
Office and Administrative Expenses (60% fixed)—₹ 40,000
40. The budget and actual sales for a period in respect of two products are as follows :

Product	Budgeted			Actual		
	Quantity (Units)	Price (₹)	Value (₹)	Quantity (Units)	Price (₹)	Value (₹)
X	600	3	1,800	800	4	3,200
Y	800	4	3,200	600	3	1,800

Calculate Sales Variance.

41. From the following particulars, compute—

(a) Material Cost Variance;

(b) Material Price Variance;

(c) Material Usage Variance :

Quantity of materials purchased—3000 units

Value of materials purchased—₹ 9,000

Standard quantity of materials required
per ton of output—30 units

Standard price of materials—2.50 per unit

Opening stock of materials—Nil

Closing stock of materials—500 units

Output during the period—80 tonnes

42. Discuss the advantages of break-even point in regard to managerial decision-making.

43. From the following particulars, find out the Break-even Point :

	₹
Variable cost (per unit)	15
Fixed expenses	54,000
Selling price (per unit)	20

What should be selling price per unit, if the break-even point should be brought down to 6000 units?

44. "The aim of responsibility accounting is not to place blame. Instead it is to evaluate performance and provide feedback so that future operations can be improved." Discuss the statement.

45. State the different types of responsibility centres with their significance.
