[Total No. of Questions - 20] [Total No. of Printed Pages - 3]
(2064)

14887

MBA 2nd Semester Examination

Cost and 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.

SECTION - A

Note: All the questions are compulsory. Each questions carries 2 marks.

1. Cost Price Rs. 30,375

   Profit is 10% on Sales

   Calculate Profit.

2. What do you mean by fringe benefits?

3. Distinguish between marginal cost and direct cost.

4. What is margin of safety?

5. Distinguish between fixed and flexible budget.

6. Name two methods of calculating sales variance.

7. What do you mean by comprehensive machine hour rate?

8. Give the two points of need of reconciliation of cost and financial accounts.

9. Explain the meaning of cost centre.

10. What is the formula for computations of economic ordering quantity? (2×10=20)

SECTION - B

Note: Attempt any four questions. Each questions carries 5 marks.

1. Ascertain the prime cost, works cost, cost of production, total cost and profit from the following figures.

   Direct materials Rs. 5000; Direct labour Rs. 3,500, Factory expenses Rs. 1,500; Administration expenses Rs. 800; Selling expenses 700 and Sales 15,000.

2. A company's Turnover in a year was Rs. 50,00,000. Its profit was Rs. 5,00,000 and its P/V Ratio was 50%. What is the break even point?

3. Write a short note on different types of sales variance.

4. Write a short note on performance budgeting.

5. What do you mean by Transfer Pricing? Explain in brief.

6. What do you mean by value chain analysis? Explain. (4×5=20)

SECTION - C

Note: Attempt any two questions. Each questions carries 10 marks.

1. Differentiate between cost accounting and management accounting.

2. Cadbury Drink Co. is planning to establish a subsidiary Co. in India to produce mineral water. Based on the estimates, annual sales of 40,000 bottles of the mineral water, cost studies produced the following estimates for the Indian subsidiary:

	Total annual cost	Per cent of total annual cost that is variable
Material	1,93,600	100%
Labour	90,000	70%
Overhead-Factory	80,000	64%
Administration	30,000	30%

Indian production will be sold by manufacturers representatives who will receive a commission of 8% of the sale price. No portion of the British Office expenses is to be allowed to the Indian subsidiary.

It is required to:

(i) Compute the sale price per bottle to enable management to realise an estimated 10% profit on sale proceeds in India and

(ii) Calculate the break-even point in Rs. for the Indian subsidiary on the assumption that the selling price is Rs. 11 per bottle.

3. What is a production budget? What are the steps involved in the preparation of a budget?

4. What is meant by break even analysis? Explain the assumptions and practical significance of break-even analysis.

(10×2=20)