

[Total No. of Questions - 20] [Total No. of Printed Pages - 2]  
(2124)

1831

**MBA 2nd Semester Examination**  
**Cost and Management Accounting (NS)**  
**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 question carries two (02) marks.*

1. Profit as per financial accounting record is ₹ 50,000. If work expenses of ₹ 1,000 are under-absorbed and office expenses of ₹ 8,000 are over-absorbed in cost accounts, what would be the profit as per cost accounting?
2. Define contribution margin ratio and margin of safety.
3. A company sells its product at ₹ 15 per unit. In a period, if it produces and sells 8,000 units, it incurs a loss of ₹ 5 per unit. If the volume is raised to 20,000 units, it earns a profit of ₹ 4 per unit. Calculate profit-volume ratio.
4. Define imputed costs.
5. Define 'Labour Productivity'.
6. Current month Cost of Production for 3000 produced units: ₹ 38,900; Opening stock of finished goods (200 units): ₹ 2,800 and No. of units sold during this month: 2800 units. Calculate cost of goods sold for the month.
7. Product 'A' requires 2000 kgs of material @₹ 5.00 per kg. The actual consumption of material for the manufacturing of product 'A' came to 2200 Kgs of material @₹ 4.80 per kg. Calculate material cost variance.

**[P.T.O.]**

---

8. Define 'Transfer Pricing'.
9. Define 'Budget' and 'Budgetary Control'.
10. Beginning Inventory of raw material: ₹ 80,000; Raw material used: ₹ 6,70,000 and Closing Inventory of raw material: ₹ 1,10,000. Calculate the cost of purchase of raw material.  
(2×10=20)

#### SECTION - B

*Note:* Attempt any four questions, each question carries five (05) marks.

11. Write a short note on the preparation of cash budget.
12. Discuss in brief the concepts of investment center and profit center.
13. Discuss with a suitable example the concept of incremental costing.
14. Write a short note on the cost-volume-profit (CVP) analysis.
15. How to reconcile cost and financial accounting? Explain.
16. Define standard costing. What is the variance analysis? Discuss.  
(4×5=20)

#### SECTION - C

*Note:* Attempt any two questions, each question carries ten (10) marks.

17. "Companies that make no variable-cost/fixed-cost distinctions must use absorption costing, and those that do make variable-cost/fixed-cost distinctions must use variable costing." Do you agree? Explain.
  18. Differentiate management accounting and cost accounting. Discuss in detail the methods of costing.
  19. "Activity-Based Costing is the wave of the present and the future. All companies should adopt it." Do you agree? Explain.
  20. What is the variance analysis? Prepare the complete flow chart of classification of cost variances?  
(2×10=20)
-