

**INSTITUTE OF MANAGEMENT STUDIES
DEVI AHILYA VISHWAVIDYALAYA, INDORE**
May- June 2023
MBA (Financial Administration) Examination
Semester - II
Cost and Management Accounting **Max Marks: 60**

Time: 3 Hrs.

Note: Attempt any five questions. All questions carry equal marks.

- Q.1 "Without financial accounting and cost accounting Management cannot be achieved its objectives." Discuss and justify with your answer.
- Q.2 Write short note on: i) Types of Budget ii) Operating costing iii) Cost reduction and cost control.

Q.3 Prepare cost sheet from the following data:

Direct material	Rs.20 Per Unit
Direct labor	Rs.15 Per Unit
Direct overheads	Rs.12 Per Unit
Indirect labor	Rs. 6 Per Unit
Indirect material	Rs. 4 Per Unit
Factory overhead(60% fixed)	40% of labor
Office overhead(60% variable)	30% of factory cost
Selling and distribution exp.	20% of factory cost
Depreciation	Rs. 52,000

Maximum capacity for production is 20000 units. Assuming that 14000 units are produced and 12000 units are sold in the year and profit earns 25% on selling price. You are required to prepare cost sheet and statement of profit from the above detail.

Q.4 Make out necessary accounts from the following details:

	Process I	Process II	III
Material	30000	4000	6000
Labour	10000	12000	8000
Overheads	7000	8850	6000
Inputs (Units)	20000 (Rs.3 P.U.)	17500(Rs.4 P.U.)	5000(Rs.6 P.U.)
Normal Loss	10%	4%	5%
Sales value of Scrape Per Unit Re 1/-		2/-	5/-

Final output of process I, II and III are 17000, 33600 and 36500 units respectively.

Q.5 Prepare cash budget for consecutive three months Feb., March and April from the following information:

	January	February	March	April	May
Sales(20% cash)	800000	1500000	1200000	1000000	1000000
Purchases (30% cash)	500000	500000	600000	500000	400000
Overheads	100000	300000	178000	200000	200000
Labor	150000	130000	180000	220000	120000
Sale of machine	--	--	800000	---	
Other exp.	200000	300000	150000	200000	120000