

**INSTITUTE OF MANAGEMENT STUDIES  
DEVI AHILYA VISHWAVIDYALAYA, INDORE  
June - July 2022  
MBA (Financial Administration) Examination  
Semester - II  
Cost and Management Accounting**

Time: 3 Hrs.

Max Marks: 60

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

- Q.1 "Management accounting is depends on cost accounts and financial accounts." Discuss and justify with your answer.
- Q.2 Write short note on : i) Marginal costing and CVP analysis ii) Operating costing
- Q.3 Prepare cost sheet from the following data:
- |  |                 |
|--|-----------------|
| Direct material                                      | Rs.10,00,000    |
| Direct labor   | Rs.15,00,000    |
| Direct overheads                                     | Rs.12,80,000    |
| Factory overheads(60% variable)                      | Rs. 4,80,000    |
| Office overheads(60% fixed)                          | Rs. 4,00,000    |
| Selling and distribution expenses<br>(100% variable) | Rs. 40 per unit |
| Income Tax   | Rs. 45,000      |
| Bad debts  | Rs. 6,000       |
- The above expenditure is for 5000 units. You are required to prepare cost sheet for 12000 units. Assuming that company has maximum capacity to produce 15,000 units in a year and profit to be earned 25% on sales. Fixed cost increases 50% in every increase of a slot of 5000 units or a part to it in the production.
- Q.4 Genuine company obtained a contract of building contract price rupees 400000 on 1st April 2015 receive from the company rupees 2,40000 being 60% of the amount on server certificate additional information are given store issues 60000, Store on hand at the end 2500, wages paid 80000, plant purchase 60000, direct expenses 1000, overhead expenses 5500, work finished but uncertified rupees 5500. plant to be depreciated by 10%. you are required to prepare contract account and balance sheet and WIP account. Give full detail for the calculations and assumption.

Q.5 Prepare cash budget for consecutive three months May, June and July from the following information:

	April	May	June	July
Sales(20% cash)	1200000	900000	1000000	1000000
Purchases (Cr.)	500000	500000	600000	500000
Overheads	200000	250000	178000	200000
Purchase of Machine	--	--	1200000	---
Operational exp.	200000	300000	150000	200000

Additional Information:

- i) minimum cash balance to be maintained Rs. 55000.any additional balance more than Rs. 75000 are to be invested in marketable securities and any short fall are to be managed through short term loan from bank.
- ii) Credit sales are realized in following two months in equal installments when it is due.
- iii) Payment to creditors just after a month from the date of supply.
- iv) bank charged bank charges and interest in the month of May Rs. 4200 and dividend credited to account in the month of June Rs. 84000.

Q.6 X. Ltd. produces an article with selling price Rs.125 (per article) and earns 25% profit on selling price. Fixed cost Rs. 2,50,000 and profit volume ratio is 50%.

Calculate: a) Break Even Point (BEP), sales to earn profit Rs. 4,50,000

b) If the selling price is reduced to Rs. 110 and other cost remain constant find out new BE Sales. Also calculate MOS in both the cases.

Q.7 Calculate all Material variances from the data given bellow:

Material	Standard		Actual	
	Quantity (Kg.)	Price Per Kg.	Quantity (Kg.)	Price Per Kg.
A	900	40/-	850	43/-
B	700	62/-	850	65/-
Total	1600		1700	
Loss	160 (10%)		200	