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**B.B.A. (Part - II) (Semester - III) Examination, 2013**  
**COST & MANAGEMENT ACCOUNTING (Paper - I)**

**Sub. Code : 43937**

**Day and Date : Tuesday, 30 - 04 - 2013**

**Total Marks : 40**

**Time : 3.00 p.m. to 5.00 p.m.**

- Instructions :**
- 1) All questions are compulsory.
  - 2) Figures to the right indicate full marks.

**Q1)** What is meant by ' Management Accounting '? Discuss its scope, advantages & disadvantages. **[14]**

OR

Prepare a Cash Budget for three months ending 30<sup>th</sup> June 2006 from the information given below :

a) Month	Sales Rs.	Materials Rs.	Wages Rs.	Overheads Rs.
February	14,000	9,600	3,000	1,700
March	15,000	9,000	3,000	1,900
April	16,000	9,200	3,200	2,000
May	17,000	10,000	3,600	2,200
June	18,000	10,400	4,000	2,300

- b) Credit terms are - Sales and debtors - 10 % sales are on cash, 50% of the credit sales are collected next month and balance in the following month.

Creditors -	Materials	2 months
	Wages	1/4 month
	Overheads	1/2 month

**P.T.O.**

- c) Cash and bank balance on 1<sup>st</sup> April 2006 is expected to be Rs 6000.
- d) Other relevant information are :-
- Plant and machinery will be installed in February 2006 at a cost of Rs. 96,000. The monthly instalment of Rs. 2000 is payable from April onwards
  - Dividend @ 5% on preference share capital of Rs. 2,00,000 will be paid on 1<sup>st</sup> June.
  - Advance to be received for sale of vehicles Rs. 9,000 in June.
  - Dividends from investments amounting to Rs. 1,000 are expected to be received in June.
  - Income Tax ( advance ) to be paid in June is Rs 2,000.

**Q2)** Attempt any **Two** of the following :-

- a) The following data is given : [8]

	(Rs)
Selling Price	20 per unit
Variable Manufacturing costs	11 per unit
Variable Selling costs	3 per unit
Fixed factory overheads	5,40,000 per year
Fixed selling costs	2,52,000 per year

You are required to Compute :-

- Break - even point expressed in amount of sales in Rupees.
  - Number of units that must be sold to earn a profit of Rs. 60,000 per year.
  - How many units must be sold to earn a net profit of 10% of sales.
- b) From the following data Calculate :- [8]
- Material price variance.
  - Material usage variance.
  - Material Mix variance.

Raw material	Standard	Actual
X	40 units @ Rs. 50 per unit	50 units @ Rs. 50 per unit
Y	60 units @ Rs. 40 per unit	60 units @ Rs. 45 per unit
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Total	100 units	110 units

c) What do you mean by Marginal Costing? Explain its limitations in brief. [8]

Q3) Write short notes. ( Any Two): [10]

- a) Budgetary Control System
- b) Margine of Safety.
- c) Functions of Management Accounting.
- d) Limitations of Standard Costing.

