

Following Paper ID and Roll No. to be filled in your Answer Book.

**PAPER ID : 29108**

Roll  
No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

## **Int. LLB Examination 2015 - 2016**

**(Second Semester)**

### **MANAGEMENT ACCOUNTING**

***Time : 3 Hours]***

***[Maximum Marks : 60***

**Note :-** Attempt all questions.

#### **SECTION - A**

1. Attempt all questions : 8×1=8
  - (a) Give the formula for material usage variance.
  - (b) What are the types of overheads?
  - (c) Define cash budget.
  - (d) Define sunk cost
  - (e) Give the definition of Management Accounting given by CIMA, London.
  - (f) What is contribution margin?
  - (g) Give the formula for Break Even Point (BEP) in rupees.

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

**SECTION - B**

2. Attempt any two parts of the following :  $2 \times 6 = 12$

(a) Differentiate between financial accounting and management accounting.

(b) Write short notes on the following :

(i) Product and period cost with example.

(ii) Avoidable and unavoidable cost with example.

(c) A manufacturing company finds that while the cost of making a component part is Rs. 10, the same is available in the market at Rs. 9 with an assurance of continuous supply. Give your suggestion whether to make or buy this part. Give also your views in case the supplier reduces the price from Rs. 9 to Rs. 8. The cost information is as follows :

Material	Rs. 3.50
Direct labour	Rs. 4.00
Variable expenses	Rs. 1.00
Fixed expenses	Rs. 1.50

- (d) From the following data calculate variable overhead variances :

	Budgeted	Actual
Variable overhead	₹ 2,50,000	₹ 2,60,000
Output in units	25,000	20,000
Working hour	1,25,000	1,10,000

### SECTION - C

**Note :-** Attempt all questions. Attempt any two parts from each question. 5×8=40

3. (a) What is the role of management accounting in management decision making? Explain.
- (b) Define the term cost. Explain all the elements of cost.
- (c) Define management accounting. Explain fixed and variable cost with graph and example.

*[ P. T. O. ]*

4. (a) Explain the technique of marginal costing. How it is used in “make or buy decision and exploring new market”?
- (b) Explain Cost Volume Profit (CVP) analysis. How the break even point is calculated in rupees and units?
- (c) A company manufactures a single product, sells it at a price of Rs. 120 per unit. The variable cost per unit is Rs. 72 and the amount of fixed overhead cost amount to Rs. 27 lakhs.

You are required to calculate :

- (i) P/V ratio
- (ii) Break even sales
5. (a) Define standard costing. How the standards are set for different elements of cost?
- (b) Define variance analysis. Explain material labour variances.
- (c) From the following data compute material price and material usage variances :

	Standard		Actual	
	(kilo) Qty.	Price	(kilo) Qty.	Price
Material A	10	3	15	4
Material B	15	4	25	3
Material C	25	2	35	2

6. (a) What is budgetary control? Explain the process of budgetary control.
- (b) Differentiate between fixed and flexible budget.
- (c) Expenses budgeted for production of 10,000 units in a factory are given below :

	₹ per unit
Material	70
Labour	25
Variable factory overheads	20
Fixed factory overhead (1 lakh)	10
Variable expense (direct)	5
Selling expenses (10% fixed)	13

[ P. T. O. ]

Distribution expense (20% fixed)	7
Administrative expense (fixed Rs. 50,000)	5
<b>Total Cost/Unit</b>	<b>175</b>

You are required to prepare a flexible budget for 6000 units.

\*\*\*