Roll No. ........................

(05/24)

# 15714

## M. Com. EXAMINATION

(For Batch 2021 & Onwards)

(Second Semester)

## COST AND MANAGEMENT ACCOUNTING

MCOM/GEN/2/CC9

*Time : Three Hours* *Maximum Marks* : 70

**Note** : Attempt *Five* questions in all, selecting *one* question from each Unit. Q. No. 1 is compulsory.

1. Explain the following : 7×2=14

(i) Responsibilities of management accounting

(ii) Budgetary Control

(iii) Standard Costing

(iv) CVP Analysis

(v) Contribution

(vi) Transfer Pricing

(vii) Profit Centre.

## Unit I

2. State the important ways of classification of Costs and discuss each of them in detail. 14

3. Explain with examples how does management Accounting help in planning and control functions of management. 14

## Unit II

4. Distinguish between fixed budget and flexible budget. State the circumstances in which flexible budgets are used. 14

5. The following information is available from the cost records of a company for December, 2005 : 14

| | ₹ |
|---|---|
| Materials purchased 20,000 pieces | 88,000 |
| Materials consumed 19,000 pieces | |
| Actual wages paid for 4,950 hour | 24,750 |
| Fixed factory overheads budgeted | 40,000 |
| Fixed factory overhead incurred | 44,000 |



Units produced-1800

Standard rates and prices are :

Direct material rate—₹ 4 per piece

Standard input—10 pieces per unit

Direct labour rate—₹ 4 per hour

Standard hours required to produce a unit—2.5 hours

Overheads—₹ 8 per labour hour.

Compute the following variances

(a) Material price and usage;

(b) Labour rate and efficiency;

(c) Fixed overheads expenditure variance;

(d) Fixed overheads volume variance. 14

## Unit III

6. Explain the significance and objective of a break-even chart and state the factors which would Cause the break-even point to change. 14

7. A manufacturing business sells its product at ₹ 20 per unit. It has a normal capacity of 50,000 units per annum, and budgeted costs at this level are :

   Direct materials ₹ 3,00,000; Direct labour ₹ 2,00,000; Expenses: Fixed ₹ 2,50,000; Variable ₹ 1,00,000.

   A sales budget has been prepared for the local market and orders are expected for 35,000 units. The sales manager has established that an export order for an additional 10,000 units could be negotiated at a special price of ₹ 14 per unit. He has also established that a second order of 4,000 modified units could be obtained at a special price of ₹ 13 per unit. The