BIJU PATNAIK INSTITUE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2018-20)

CLASS TEST - II

Advanced Management Accounting (18MBA-303B)

Total Marks : 15 **Time: 1 Hour**

Q1. Answer briefly any five of the following questions (5x1)

I. What is Break Even Point?
II. What is margin of safety?
III. What is the role of key factor is budgeting?
IV. What does contribution stand for?
V. What do you mean by Zero based budgeting?

Q2. Answer briefly any two of the following questions (2x2.5)

a) Define budgetary control and discuss some of its uses.
b) Differentiate between fixed budget and flexible budget.
c) The following particulars are available in respect of M/s PQR Ltd.
   Fixed Expenses: Rs.1, 50,000
   Variable Cost per unit: Rs.10/-
   Selling Price per unit: Rs. 15/
   You are required to calculate (i) Contribution (ii) P/V Ratio (iii) Break Even Point (BEP) in units and in rupees.
d) How does Cost-Volume –Profit Analysis (CVP Analysis) help the management?
e) Graphically show breakeven point, margin of safety and explain what do they represent for?

Q3. Answer any one of the following questions (1x5)

(A) Mr. Sharma ,the Manager of Repairs and Maintenance Department of XYZ Ltd in response to a request, submitted the following budget estimates for his department that are to be used to construct a flexible budget to be used during the coming budget year.

Details of Cost	Planned at 6000 direct repair hours	Planned at 9000 direct repair hours
Employee Salaries	40,000	40,000
Indirect Repair Materials (Variable)	40,200	60,300
Miscellaneous Cost (Semi variable)	13,200	16,800

(i) Prepare a flexible budget for the department up to activity level of 9000 repair hours (use increment of 1000 hours) (ii) What would be the budget allowance at 7500 direct repair hours?

(B) A company has fixed expenses of Rs.90, 000 with sales at Rs.3, 00,000 and profit of Rs.60, 000 during the first half year. If in the next half year, the company suffered a loss of Rs.30000, calculate

(i) The P/V Ratio, Breakeven point and margin of safety for the first half year.

(ii) Expected sales volume for next half year assuming that selling price and fixed expenses remain unchanged.

(iii) The breakeven point and margin of safety for whole year

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BIJU PATNAIK INSTITUE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2017-19)

CLASS TEST - II

Cost and Management Accounting (MBA-301)

Total Marks : 15 **Time: 1 Hour**

1. Answer all the questions: (5 X 1)
   a) What is Notional Profit?
   b) What is Variance Analysis?
   c) What is Budgetary Control?
   d) What is Abnormal Gain?
   e) What is Margin of Safety?

2. Answer any two from the following questions. (2 X 2.5)
   a) What is P/V Ratio? Explain its uses.
   b) Define normal and abnormal process losses explaining the possible causes.
   c) Flexible Budget vs. Fixed Budget

3. Explain in detail the various objectives of Budgetary Control.
   (1 X 5)

   OR

   You are given the following data:

	Sales	Profit
Year 2016	Rs 120000	Rs. 8000
Year 2017	Rs 140000	Rs13000

   Find Out: i) P/V Ratio ii) BEP & iii) Margin of Safety

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BIJU PATNAIK INSTITUE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2016-18)

CLASS TEST - II

Cost and Management Accounting (MBA-301)

Total Marks : 15 **Time: 1 Hour**

1. Answer all the questions: (5 X 1)

   a) What is notional profit?
   b) What is point of split off?
   c) What is angle of incidence?
   d) What is abnormal gain?
   e) What is margin of safety?

2. Answer any two from the following questions. (2 X 2.5)

   a) What is P/V Ratio? Explain its uses.
   b) Define normal and abnormal process losses explaining the possible causes.
   c) Distinguish between joint products and by products.

3. The following was the expenditure on a contract for Rs. 1200000/- commenced in January, 2015. Materials Rs. 240000, Wages Rs. 328000, Plant Rs. 40000, Overheads Rs 17200, Work uncertified Rs 8000. Cash received on account of the contract on 31st December, 2015 was Rs. 480000, being 80% of the work certified. The value of materials in hand was Rs.12000. The plant had undergone 20% depreciation. Prepare Contract Account

   (1 X 5)

   OR

   You are given the following data:

	Sales	Profit
Year 2014	Rs 120000	Rs. 8000
Year 2015	Rs 140000	Rs13000

   Find Out: i) P/V Ratio ii) BEP & iii) Margin of Safety

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BIJU PATNAIK INSTITUE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2015-17)

CLASS TEST - II

Cost and Management Accounting (MBA-301)

Total Marks : 15 **Time: 1 Hour**

1. Answer all the questions: (5 X 1)
   a) What is notional profit?
   b) What is point of split off?
   c) What is angle of incidence?
   d) What is abnormal gain?
   e) What is margin of safety?

2. Answer any two from the following questions. (2 X 2.5)
   a) What is P/V Ratio? Explain its uses.
   b) Define normal and abnormal process losses explaining the possible causes.
   c) Distinguish between joint products and by products.

3. The following was the expenditure on a contract for Rs. 1200000/- commenced in January, 2015. Materials Rs. 240000, Wages Rs. 328000, Plant Rs. 40000, Overheads Rs 17200, Work uncertified Rs 8000. Cash received on account of the contract on 31st December, 2015 was Rs. 480000, being 80% of the work certified. The value of materials in hand was Rs.12000. The plant had undergone 20% depreciation. Prepare Contract Account

(1 X 5)

OR

You are given the following data:

	Sales	Profit
Year 2014	Rs 120000	Rs. 8000
Year 2015	Rs 140000	Rs13000

Find Out: i) P/V Ratio ii) BEP & iii) Margin of Safety

BIJU PATNAIK INSTITUE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2014-16)

CLASS TEST – I I

Cost Management (MBA-302)

Total Marks : 15 **Time: 1 Hour**

(Answer as per the instruction given in each question)

I. Answer all the question : **[1x5=5]**

1. Define Cost & Cost Accounting.
2. What do you mean by Escalation Clause?
3. Explain the term Master Budget.
4. Distinguish between Joint Product & By-Product.
5. What do you mean by Contribution?

II. Answer any two of the following **[2.5x2=5]**

1. What is ABC? & Explain two benefits of ABC .
2. Fixed cost Rs 12,000, Actual Sales Rs 48,000, Margin of Safety Rs 8,000. What is P/V Ratio?
3. Differentiate between Standard Cost & Standard Costing.

III. Answer any one of the following **[5x1=5]**

1. The following information relates to a flexible budget at 60% capacity. Find out the overhead costs at 50% & 70% capacity & determine the overhead rates:

Variable overheads: Indirect Labour Indirect Materials	 10,500 8,400
Semi-Variable Overheads: Repair & Mentenance (70% fixed, 30% variable) Electricity (50% fixed, 50% Variables)	 7,000 25,200
Fixed Overheads: Office expenses including salaries Insurance Depreciation Estimated direct labour hour	 70,000 4,000 20,000 1,20,000

2. What do you mean by overhead cost? How Overhead Costs are classified?