(iv) Measurement of divisional performance- financial measures.

(v) Zero Base Budgeting.

[This question paper contains 8 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 3419 **J**

Unique Paper Code : 6132393602

Name of the Paper : MANAGEMENT ACCOUNTING

Name of the Course : **B.A. (VS) SMALL AND MEDIUM ENTERPRISES**

Semester : VI (NEP)

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.

2. Attempt all questions.

3. Show your working notes as part of your answer.

4. All questions carry equal marks.

P.T.O.

5. Use of simple calculator is allowed.

1. "Management accounting assists management in formulation of policies and in the planning and control of the operations of the undertaking".

2. Explain. Briefly discuss the following:

   (i) Classification of cost based on their behaviour in relation to changes in volume and its usefulness.

   (ii) Cost Control and Cost Reduction.

3. Explain Budgetary Control System and Standard Costing System as a measures of planning and cost control.

4. A factory engaged in manufacturing plastic buckets is operating at 40% capacity and produces 10,000 buckets per month. The present break up for one bucket is as under;

Should the component be purchased and production stopped?

Give justification for your answer. Will your answer change if the supplier's price is Rs.485. Also discuss some non-monetary factors to be taken into consideration before making a final decision.

8. Write brief notes on any three of the following:

   (i) Define P/V ratio. Discuss its usefulness in management decision making.

   (ii) Responsibility Accounting.

   (iii) Key-factor in decision making.

(ii) Calculate the break-even point expressed in units and value.

(iii) How many units must be sold to earn a net income of Rs. 1,38,000?

7. XYZ Company has an annual production of 90,000 units for a component. The component per unit cost structure is given below:

Material	Rs.270
Labour (25% fixed)	Rs.180
Variable expenses	Rs. 90
Fixed expenses	Rs. 135
Total	**Rs. 675**

The purchase Manager has an offer from a supplier who is willing to supply the component at Rs.540.

Material	Rs. 20
Direct labour	Rs. 6
Overhead	Rs. 10 (60% Fixed)

The selling price per bucket is Rs.40. If it is decided to work the factory at 50% capacity, the selling price falls by 3%. At 90% capacity, the selling price falls by 5% accompanied by a similar fall in the price of material.

You are required to prepare a statement showing budgeted cost and profit at 50% and 90% capacities.

5. SR Chemical Industries Limited provides the following information from their records.

For producing 10 kgs. of Product 'R', the standard material requirement is:

Material	Quantity(kgs.)	Rate per Kg.(Rs.)
A	8	6
B	4	4

1,000 kg. of Product 'A' were produced during April 2025. The actual consumption of material is as under:

Material	Quantity(kg.)	Rate per Kg.(Rs.)
A	750	7
B	510	5

(i) Material Cost Variance

(ii) Material Price Variance

(iii) Material Usage Variance

(iv) Material Mix Variance

(v) Material Yield Variance

6. ABC Ltd. gives you the following information:

Variable cost per unit..........Rs.45

Fixed expenses................ .Rs.1,62,000

Selling price per unit...........Rs.60

Required :-

(i) Calculate Profit- Volume Ratio