

**ANURAG Engineering College**  
(An Autonomous Institution)

**II M.B.A I Semester Regular/Supplementary Examinations, January – 2025**  
**STRATEGIC COST AND MANAGEMENT ACCOUNTING**  
(MASTER OF BUSINESS ADMINISTRATION)

Time: 3 Hours

Max. Marks: 60

**Section – A (Short Answer type questions)**

(10 Marks)

Answer All Questions

	Course Outcome	B.T Level	Marks
1. Explicit Vs Implicit Cost?	CO1	L1	1M
2. Write a Note on Overheads?	CO1	L2	1M
3. Define Cost Sheet?	CO2	L1	1M
4. What do you mean by Costing for By products?	CO2	L1	1M
5. Define Absorption Costing?	CO3	L1	1M
6. List out the assumptions of Marginal Costing?	CO3	L1	1M
7. Define Budget?	CO4	L1	1M
8. What is Cash Budget?	CO4	L1	1M
9. How Labour mix sub variance computed?	CO5	L1	1M
10. Overhead Variances?	CO5	L1	1M

**Section B (Essay Questions)**

Answer all questions, each question carries equal marks.

(5 X 10M = 50M)

11. A) Define Cost? And classify the different types of cost?

CO1 L3 10M

OR

B) The SAM Company is Divided into 4 dept's A, B, C are producing Dept's and D is the Service dept the actual Cost for a period.

CO1 L3 10 M

<i>Rent</i>	1000/-
<i>Repair to Plant</i>	600/-
<i>Depreciation of plant</i>	450/-
<i>Employees Liabilities of insurance</i>	150/-
<i>Supervision</i>	1500/-
<i>Fire Insurance in respect of Stock</i>	500/-
<i>Power</i>	900/-
<i>Light</i>	120/-

Additional Information: -

	Dep A	Dep B	Dep C	Dep D
Area (Sq. Ft)	1500	1100	900	500
No of Employees	20	15	10	5
Total Wages (Rs)	6000	4000	3000	2000
Value of Plant	24000	18000	12000	6000
Value of Stock	15000	9000	6000	-
HP of Plant	24	18	12	6

Apportion the Cost to Various departments on the most Equitable Basis.

12. A) The Accounts of an Amway Company Disclose the following information for 6 months ending 31-12-2018.

CO2 L3 10M

Materials Used 150000/-  
 Direct Wages 120000/-  
 Factory overheads 30000/-  
 Administration Expenses 15000/-

Prepare Cost Sheet of the Amway Company & Calculate the Price which the company should Quote for the manufacturer of a machine require Materials values Rs 1250/-. Expenditure on Productive Wages 750/-. So that the price might Yield profit of 20% on the Selling Price. Absolve Factory overhead based on Direct Wages & Administration Expenses on Works Cost Basis?

OR

- B) ABC Chemical company Ltd., Produced 3 chemicals during the month of July 2009 by 3 consecutive processes in each process 2% of the total weight put in is losses and 10% is scrap which from Process 1 and 2 releases Rs 100 a ton and from process 3 Rs 20 a ton the products of 3 processes are dealt with as follows.

CO2 L3 10M

Particulars	1	2	3
Passed on to the next process	75%	50%	-
Sent to ware house for sale	25%	50%	100%
<b><i>Expenses Incurred</i></b>			
Raw Material	120000 (1000 tons)	28000 (140 tons)	107840 (1348 tons)
Manufacturing Wages	20500	18520	15000
General Expenses	10300	7240	3100

Prepare Process Cost account showing the cost per ton of each product.

13. A) If the cost structure & selling prices remain the same in periods one & two Find out.  
 i) Profit Volume Ratio  
 ii) Fixed Cost  
 iii) BEP

CO3 L3 10M

**Question Paper Code: R22E21MB09**

- iv) Profit when sales are of 1,00,000/-
- v) Sales required to earn a profit of Rs 20000
- vi) Margin of safety at a profit 15000/-
- vii) Variable Cost in period 2.

Periods	Sales	Profit
1	120000	9000
2	140000	13000

**OR**

- B) Distinguish between ABC costing & Traditional Costing? CO3    L2    10M
14. A) The Following Information relates to the Flexible budget at 60% Capacity, find out overhead cost at 50% & 70 % capacity and determine the Overhead rate. CO4    L3    10M

Particulars	Expenses @ 60% capacity
<b><u>Variable Overheads</u></b>	
Indirect labour	10500
Indirect Material	8400
<b><u>Semi-Variable Overheads</u></b>	
Repairs & Maintenance (70% Fixed, 30% Variable)	7000
Electricity (50 % Fixed, 50% Variable)	25200
<b><u>Fixed Overheads</u></b>	
Office Expenses including Salary	70000
Insurance	4000
Depreciation	20000
Estimated Direct labour Hours	120000

**OR**

- B) Prepare a production Budget for 3 Months ending March 31 2022 for a manufacturing Unit which is producing 4 products based on following Information. CO4    L3    10M
- | Type of Product | Estimated Stock on January 1 2022 | Estimated Sales during January to March 2022 | Desired Closing Stock March 2022 |
|-----------------|-----------------------------------|--|----------------------------------|
| A               | 2000                              | 10000  | 3000                             |
| B               | 3000                              | 15000  | 5000                             |
| C               | 4000                              | 13000  | 3000                             |
| D               | 3000                              | 12000  | 2000                             |
15. A) Explain the Major Advantages of Standard Costing? CO5    L2    10M

**OR**

- B) From the following Particulars Calculate CO5    L3    10M
- i) MCV
  - ii) MPC
  - iii) MUV

Material	Standard		Actual	
	Units	Per Unit (Rs)	Units	Per Unit (Rs)
A	1010	1	1080	1.20
B	410	1.50	380	1.80
C	350	2	380	1.90

