R22

ANURAG Engineering College
(An Autonomous Institution)
II M.B.A I Semester Regular Examinations, Jan/Feb–2024
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.	What is costing?	CO1	L1	1M
2.	Differentiate between direct and overhead expenses.	CO1	L4	1M
3.	Define unit costing.	CO2	L1	1M
4.	How do you calculate prime cost?	CO2	L1	1M
5.	Bring out any two advantages of break-even analysis.	CO3	L2	1M
6.	What is the use of activity based costing?	CO3	L1	1M
7.	Define budgeting.	CO4	L1	1M
8.	What is cost audit?	CO4	L1	1M
9.	What is the formula of calculating material price variance?	CO5	L1	1M
10.	Explain standard costing.	CO5	L2	1M

Section B (Essay Questions)
Answer all questions, each question carries equal marks.   (5 X 10M = 50M)

11. A)	Differentiate between cost accounting and Management accounting.	CO1	L3	10M
	OR			
B)	Define cost and explain various concepts of costs.	CO1	L2	10M

12. A)	A product passes through two processes. The output of process I becomes the input of process II and the output of process II is transferred to warehouse. The quantity of raw materials introduced into process I is 20000 kgs. At Rs.10 per kg. the cost and output data for the month under review are as under:	CO2	L2	10M

Particulars	Process I	Process II
Direct materials	Rs.60,000	Rs.40,000
Direct labour	Rs.40,000	Rs.30,000
Production overheads	Rs.39,000	Rs.40,250
Normal loss	8%	5%
Output	18000	17400
Loss realisation Rs./unit	2	3

Prepare the process accounts.

OR

B)	Identify various applications of marginal costing.	CO2	L3	10M

13. A)	Define ABC. Explain how ABC system supports corporate strategy?	CO3	L2	10M
	OR			

B)	From the following particulars calculate i) contribution, ii) P/V ratio, iii) break-even point in units and in rupees, iv) what will be the selling price per unit if the break-even point is brought down to 25000 units? Fixed expenses Rs.1,50,000 Variable cost per unit Rs.10 Selling price per unit Rs.15	CO3	L3	10M

14. A)	With the following data for a 60% activity. Prepare a flexible budget for production at 80% and 100% activity. Production at 60% activity is 600 units. Materials Rs.100 per unit, Labour Rs.40 per unit, Expenses Rs.10 per unit, Factory expenses Rs.40,000 (40% fixed), Administration expenses Rs.30,000 (60% fixed).	CO4	L3	10M

OR

B)	Differentiate between cost audit and management audit.	CO4	L3	10M

15. A)	What is variance? List the advantages of analysis of variance.	CO5	L3	10M

OR

B)	From the following information, compute i) price ii) usage, and iii) mix variables from the data given below:	CO5	L3	10M

Materials	Standard			Actual		
	Quantity in Kilos	Price in Rs.	Total Rs.	Quantity in Kilos	Price in Rs.	Total Rs.
Material A	10	3	30	15	4	60
Material B	15	4	60	25	3	75
Material C	25	2	50	35	2	70
Total	**50**		**140**	**75**		**205**