Graphic Era
HILL UNIVERSITY
Established by an Act of the State Legislature of Uttarakhand (Adhiniyam Sankhya 12 of 2011)
University under section 2(f) of UGC Act, 1956

Term Evaluation (Even) Semester Examination March 2025

Roll no.............................

Name of the Course: BBA
Semester: IVth
Name of the Paper: Management Accounting
Paper Code: BBA 403
Time: 1.5 hour **Maximum Marks: 50**

Note:

(i) Answer all the questions by choosing any one of the sub-questions
(ii) Each question carries 10 marks.

Q1. (10 Marks) CO 1, CO4

a. Management accounting is called "Accounting as a tool for management." How Management accounting is different from Financial accounting?

OR

b.The following information is obtained from the records of M Co Ltd:

Sales (1,00,000 units)	Rs 1,00,000
Variable cost	Rs 60,000
Fixed cost	Rs 30,000

(a) Find P/V ratio, Breakeven point and Margin of safety at this level.
(b) Calculate the effect of the following:

i. 20% increase in selling Price
ii. 5% decrease in sales volume
iii. 10% decrease in fixed cost
iv. 10% decrease in variable cost

Q2. (10 Marks) CO2,CO3

a. Discuss the Cost related terms "Cost control" and "Cost reduction" . Also elaborate their differences.

OR

b. Pepsi Company produces a single article. Following cost data is given about its product: -

Selling price per unit	Rs.40
Marginal cost per unit	Rs.24
Fixed cost per annum	Rs. 16000

Calculate:

(a)P/V ratio (b) break even sales (c) sales to earn a profit of Rs. 2,000 (d) Profit at sales of

Term Evaluation (Even) Semester Examination March 2025

Rs. 60,000 (e) New break even sales, if price is reduced by 10%.

Q3. (10 Marks)CO3,CO4

a. "Marginal costing is essentially a technique of cost analysis and cost presentation." Discuss the statement with reference to the application of marginal costing, merits and limitations.

OR

b. A company produces 1,000 articles for home consumption at the following costs:

	Rs.
Material	40,000
Wages	36,000
Fixed Factory overheads	12,000
Variable Factory overheads	20,000
Administration overheads (fixed)	18,000
Fixed selling overheads	10,000
Variable selling overheads	16,000

The foreign market for this product can, however, consume additional 4,000 units if the selling price is reduced to Rs 125 per article from the present selling price of Rs 155 per article. Is the foreign market worth trying?

Q4. (10 Marks)CO1,CO2

a. How the concept of Break-even analysis is applicable in the industries? What are the assumptions of break-even analysis?

OR

b. The texomat (Pvt) Ltd. has been manufacturing track suits for athletes. Currently its output is around 70% of its rated capacity of 19,000 units per annum. One exporter has approved the sample and has offered to buy 5,000 units at a special price of Rs 150 per suit. At present the company has been selling the track suit @ Rs 210. The standard cost per unit is as under:

Cloth and other material	Rs 82.00
Labour	Rs 25.00
Fixed cost	Rs 42.00
Administrative variable cost	Rs 11.00
Total cost	**Rs 160.00**

Should the company accept the offer?

What would be your advice if the exporter offers to buy 10,000 units instead of 5,000 units.

Q5. (10 Marks)CO2

Term Evaluation (Even) Semester Examination March 2025

. a. What are the elements of cost? Illustrate the different components of cost.

OR

b. Prepare a statement of cost from the following particulars: CO5

	Rs
Opening stock of raw material	10,500
Closing stock of Raw Material	15,000
Purchase of Raw Material	39,000
Direct Expenses	2,600
Labour	23,900
Fuel and Power	2,500
Directors Fee	3,000
Carriage Inward	1,750
Indirect Wages	5,000
Office salaries	6,600
Rent, rates and Taxes(Factory)	2,000
Rent Rates (office)	900
Depreciation & Repairs of plant	15,700
Insurance (Factory)	900
Stationary (Factory)	1,050
Sundry Expenses	2,700
Stationary (Office)	875
Depreciation of office furniture	325
Travellers expenses & salaries	5,000
Showroom expenses	2,000
Packing	6,000
Carriage outwards	4,000
Stationary (selling)	500
Bad debts	1,200
Sales	1,67,000