

END SEMESTER EXAMINATION, MAY - 2026**M. B. A. Semester – II****Paper Code : 542112****Subject Name: Cost & Management Accounting****Subject Code: MBA203****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully.****Q.1 Attempt all questions (CO1,2)****(10x2=20Marks)**

On the basis of figures given below:

Selling Price (S): 100, Variable Cost (V): 60 and Total Fixed Cost (F): 20000

You are required to:

- a. Derive P/V Ratio
- b. Derive BEP in units
- c. Derive BEP in Rs.
- d. Derive Sales in Rs. in order to earn a profit of Rs.4000
- e. Derive sales in units in order to earn a profit of 6000
- f. Derive Margin of Safety (MOS) when profit is equal to 10000
- g. If Selling Price and Variable Cost are reduced by Rs. 20 each, then determine the new BEP (units)
- h. If Variable Cost is increased by 20, then by what extent Fixed Cost have to be reduced in order to maintain the same BEP level.
- i. Derive Margin of Safety (MOS) when sales are equal to 8400 units.
- j. If Fixed Costs and Selling Price are collectively reduced by 20%, determine the new BEP (units).

Q.2 Attempt any five questions (CO3,4)**(5x4=20Marks)**

- a. Explain the effect of *idle time* over labor efficiency variances.
- b. Discuss the term overheads in detail.
- c. Discuss the purpose served by cost sheet.
- d. Explain the significance of *key factor* in marginal costing.
- e. Discuss the reason of omitting *financial costs* while determining cost of sales.
- f. Differentiate between Materials Yield Variance and Materials Quantity Variance.
- g. Discuss the difference between Margin of Safety (MOS) and Profits.

Q.3 Attempt any three questions (CO 4,5)**(3x10=30Marks)**

- a. "Variable Costs are not variable per unit and the Fixed costs are not fixed per unit". Explain with suitable illustrations.
- b. ABC Ltd. has to choose between two alternatives X and Y and provides the following data:

	X	Y
OUTPUT (units)	20000	20000
PROFIT at above level	60000	48000
FIXED COST	60000	32000

You are required to determine:

- a) Indifference Level of output.
- b) Determine the suitability (high demand and low demand) of alternatives at different level of output.
- c. Following are the details of three products A, B and C:

	A	B	C
SELLING PRICE(S)	25	15	10
VARIABLE COST(V)	05	4.5	05
DEMAND %	25	45	30
TOTAL FIXED COST(F)	2991500		

You are required to: (a) Determine composite P/V Ratio.

(b) Productwise BEP in units and in value.

- d. Selling Price per unit (S) =24, Variable Cost per unit (V) =12. Total Fixed Cost (F)= 4800, Range in units 0-800. Interval -100 units. You are required to construct the Break-Even Chart.

Q.4 Attempt any two questions (CO5,6)

(2x15=30Marks)

- a. ABC LTD. manufactures two types of pens X & Y. the cost data for September 2017 is as follows:

DIRECT MATERIALS CONSUMED	800000	
DIRECT LABOR	448000	
PRODUCTION OVERHEADS	192000	
	X	Y
Production during the year(units)	80000	240000
Sales during the year(units)	72000	1000000
Selling Price per unit	28	20

It is further ascertained that:

- Direct materials in type X cost twice as much direct materials in type Y.
- Direct wages for type Y were 60% of those for type P.
- Production overhead cost per unit was same for both types.
- Office overheads for each were 200% of direct labor.
- Selling costs were Re.0.50 per pen sold for both types.

You are required to prepare a comparative cost sheet and determine profits for the products X and Y.

- b. You have been provided with the details pertaining to *labor cost*.

LABOR CATEGORY	STANDARD FACTORY HOURS	NO. OF LABORS	IDLE LABOR HOURS	ACTUAL LABOR HOURS	STANDARD RATE/LH	ACTUAL RATE/LH
SKILLED	8	125	100	1600	12.5	15
UNSKILLED		125	75	1400	7.5	09

On the basis of the above details, you are required to:

- Derive all the relevant labor cost variances.
 - Check all the variances.
- c. You have been provided with the details pertaining to the *material cost*.

	Type of Raw Materials	Standard Quantity (kg.)	Standard Price (Rs./kg.)	Actual Quantity (kg.)	Actual Price (Rs./kg.)
	X	500	25	1200	28
	Y	500	22	1300	26
	TSQ (kg.)	1000	TAQ (kg.)	1250	
less:	LOSS (kg.)	200		250	
is equal to	Yield(kg.)	800		1000	

You are required to:

- Derive all the relevant material cost variances.
- Draw the Cost- Variance Split Tree.