Name: **Enrolment No:**	UPES UNIVERSITY OF TOMORROW

UPES

End Semester Examination, May 2024

Course: Management Accounting **Semester: III**
Program: Integrated B.Com-MBA **Time : 03 hrs.**
Course Code: FINC 2078 **Max. Marks: 100**

Instructions:

SECTION A
10Qx2M=20Marks

S. No.		**Marks**	**CO**
Q 1	Statement of question	**20**	**CO1**
(a)	What is Cost variance?	**2**	
(b)	What is variable cost? Explain with example.	**2**	
(c)	What is a breakeven point?	**2**	
(d)	Breakeven is not affected with the changes in: (i) Sales price per unit (ii) Variable price per unit (iii) Total Fixed Cost (iv) Number of units sold	**2**	
(e)	What is Material price variance. Describe and mention its formula.	**2**	
(f)	The term 'Contribution' refers to the ____________ (a) Excess of selling price over variable cost per unit (b) Difference between the selling price and total cost (c) Subscription towards raising capital (d) None of the above	**2**	
(g)	Margin of safety in break-even analysis is: (i) Actual sales – Sales at breakeven point (ii) Actual sales + Sales at breakeven point (iii) Actual sales / Sales at breakeven point (iv) None of the above	**2**	
(h)	The cost that doesnot fluctuate based on the volume of production is known as: (i) Variable cost (ii) Fixed cost (iii) Semi-varible cost (iv) None of the above	**2**	
(i)	The profit at which total revenue is equal ton total cost is known as______ (i) Margin of safety	**2**	

	(ii) Break-even point (iii) None of the (i) and (ii) (iv) Both (i) and (ii)		
(j)	What is Material usage variance. Describe and mention its formula.	**2**	
SECTION B **4Qx5M= 20 Marks**			
Q 2	Statement of question	**20**	**CO2**
(a)	What is Variance analysis? Name the different types of variances	**5**	
(b)	A company makes a product with a selling price of $20 per unit and variable costs of $12 per unit. The fixed costs for the period are $40,000. What is the required output level to make a target profit of $10,000?	**5**	
(c)	What are the different types of budgets? Explain the importance of each.	**5**	
(d)	Explain the concept of process costing in brief.	**5**	
SECTION-C **3Qx10M=30 Marks**			
Q 3	Statement of question	**30**	**CO3**
a)	The following information about the Megha India Pvt. Ltd. has been made available from the accounting records of payment of Precision Tools Ltd. for the last six months of 2024 (and of only sales for January 2023). The units to be sold in different months are: Month: Estimated Sales July (2024): 2200 August (2024): 2200 September (2024): 3400 October (2024): 3800 November (2024): 5000 December (2024): 4600 January (2025): 4000 Finished units equal to half of thr sales of the next month will be in stock at the end of every moth (including June 2024). Budgeted production for the year ending December 2024 are as follows: Production unit – 44,000. Prepare a production budget for the last 6 months of 2024	**10**	
b)	The Vice President Sales of Aman Textiles Pvt. Ltd. conducts a meeting with the manufacturing team and announces that next year he expects to sell 1,00,000 units of its product. The product requires two kinds of raw materials A and B to manufacture the product. Each unit of product requires 4 units of A and 5 units of B. The estimated opening balances at the commencement of the next year are: Finished product: 20,000 units, A: 24,000 units B: 15,000n units The desirable closing balance at the end of the next year are:	**10**	

	Finished products: 28,000 units, A: 26,000 units, B = 32,000 units. Prepare the Materials purchase budget.		
c)	What do you mean by budget? Why companies prepare a budget before making the actual expenses? Also describe the different types of budgets.	**10**	
	SECTION-D **2Qx15M= 30 Marks**		
Q 4	Statement of question		**CO4**
a)	Prepare a cash budget for the month of May, June and July 2023 on the basis of the following information: Income and Expenditure Forecast (in Rupees)	**15**	

Month	Credit Sales	Credit Purchases	Wages	Manufacturing Expenses	Office Expenses	Selling Expense
March	30,000	18,000	4500	2,000	1000	2000
April	31,000	19,000	4,000	1500	7500	2500
May	32,000	16,500	5,000	2200	1200	2700
June	29,000	17,500	4250	3700	1000	1700
July	28,000	19,500	4000	2,000	500	2000
August	30,000	17,000	4,000	1500	7000	2000

Additional Information

(i) Cash balance on 1st May 2023 is Rs. 4,000

(ii) The payment of Rs. 8,000 for buying some fixed assets is due in June

(iii) Payable 20% on delivery and the balance in the next month.

(iv) Period of credit allowed (i) by supplier is two months and (ii) to customers – one month.

(v) Lag in the payment of manufacturing is one week.

(vi) Lag in the payment of office and selling expenses is – one month

b)	The Standard Cost for producing 180 kgs of a product whose Raw Material inputs are A and B is given below –	**15**	

Material A 60 Kg at Rs 10 per kg	Rs. 600
Material B 140 kgs at Rs 2 per kg	Rs. 280

The Actual Prices of A and B were Rs 12 and Rs 8 per kg respectively. The actual consumption of A is 72 kg and B is 108 kg. Calculate the following:

(i) Material price variance

(ii) Material Usage Variance

(iii) Material Mix Variance