



Bc/BC/M5

2024

(FYUGP)

(5th Semester)

COMMERCE

(Minor)

Paper Code : BC/M5

(Management Accounting)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

*The figures in the margin indicate full marks
for the questions*

1. (a) What do you mean by Management Accounting? Discuss scope of Management Accounting. 2+8=10

Or

- (b) Distinguish between Cost Accounting and Management Accounting. Explain cost reduction. 7+3=10

2. (a) Explain objective and disadvantage of budgetary control system. 6+4=10

Or

- (b) The expenses of the production of 5000 units in a factory are given as follows :

	<i>Per unit</i> ₹
Materials	50
Labour	20
Variable Overhead	15
Fixed Overhead (₹ 50,000)	10
Administrative Expenses (5% variable)	10
Selling Expenses (20% fixed)	6
Distribution Expenses (10% fixed)	5
	<u>116</u>

You are required to prepare a budget for the production of 7000 units. 10

3. (a) Explain advantages and limitations of standard costing. 6+4=10

Or

- (b) From the following information, calculate—

- (i) Material Cost Variance;
- (ii) Material Price Variance;

(iii) Material Usage Variance;

(iv) Material Mix Variance :

10

Material	Standard		Actual	
	Unit	Rate ₹	Unit	Rate ₹
A	40	10	50	12
B	60	5	50	8

4. (a) What do you mean by Marginal Costing? Explain its advantages. 2+8=10

Or

- (b) From the following information, calculate—

- (i) P/V Ratio;
(ii) Break-even Point;
(iii) Margin of Safety;
(iv) when selling price is reduced ₹ 90 :

$$2+2+2+4=10$$

₹

Total Sales	3,60,000
Selling Price (per unit)	100
Variable Cost (per unit)	50
Fixed Cost	1,00,000

5. (a) Explain significance and limitations of ratio analysis. 5+5=10

Or

(b) The Balance Sheet of ABC Ltd. is as follows :

Balance Sheet

<i>Liabilities</i>	<i>01.01.2023</i>	<i>31.12.2023</i>
	₹	₹
Equity Capital	1,00,000	1,00,000
General Reserve	1,00,000	1,00,000
Profit & Loss A/c	96,000	98,000
Current Liabilities	72,000	82,000
Loan from Bank	62,000	90,000
	<u>4,30,000</u>	<u>4,70,000</u>
 <i>Assets</i>		
Cash	10,000	7,200
Debtors	70,000	76,800
Stock	50,000	44,000
Land	40,000	60,000
Building	1,00,000	1,10,000
Machinery	1,60,000	1,72,000
	<u>4,30,000</u>	<u>4,70,000</u>

During the year ₹ 52,000 was paid as dividend.

Prepare Cash Flow Statement.

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Paper Code : BC/M5

(Management Accounting)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. Choose the correct answer and place its code in the brackets provided : 1×15=15

(a) Accounting is basically concerned with

(i) financial reporting

(ii) cost ascertainment

(iii) decision-making

(iv) All of the above

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(b) Which of the following is **not** a technique of management accounting?

- (i) Budgetary control
- (ii) Cost-volume profit analysis
- (iii) Responsibility accounting
- (iv) Process costing []

(c) Which of the following is **not** a branch accounting?

- (i) Financial Accounting
- (ii) Cost Accounting
- (iii) Budgeting Control
- (iv) Management Accounting []

(d) The long-term approach to budgeting is known as

- (i) Budgetary Control
- (ii) Capital Expenditure Budget
- (iii) Strategic Planning
- (iv) Zero-based Budgeting []

(e) Which of the following is an important objective of the budgetary control system?

- (i) To plan future activities
- (ii) To act as a tool of control
- (iii) A basis for performance evaluation

(iv) All of the above []

(f) Which of the following is **not** a functional budget?

- (i) Sales budget
- (ii) Flexible budget
- (iii) Production budget

(iv) Material consumption budget []

(g) Standard costing involves pre-determination of

- (i) standard costs
- (ii) actual costs
- (iii) historical costs

(iv) estimated costs []

(h) The difference between standard cost and actual costs are known as

(i) profit

(ii) variance

(iii) historical cost

(iv) abnormal cost

[]

(i) The main objective of the standard costing is

(i) reduction of costs

(ii) measurement of productive efficiency

(iii) control quality

(iv) control prices

[]

(j) Variable cost per unit

- (i) varies directly with production
- (ii) remains constant with change in production
- (iii) depends upon the fixed cost
- (iv) None of the above []

(k) Fixed cost per unit _____ with increase in production.

- (i) increases
- (ii) remains constant
- (iii) decreases
- (iv) None of the above []

(l) Marginal cost per unit _____ with the increase in production.

- (i) decreases directly
- (ii) increases directly
- (iii) remains constant
- (iv) increases in steps []

(m) Which of the measure of current ratio is considered satisfactory?

(i) 2 : 1

(ii) 1 : 2

(iii) 3 : 1

(iv) 1 : 1

[]

(n) Liquid ratio is also known as

(i) current ratio

(ii) quick ratio

(iii) working capital ratio

(iv) long-term solvency ratio

[]

(o) Interest received in cash on loans and advances results in cash _____ from _____ activity.

(i) outflow, financing

(ii) inflow, investing

(iii) outflow, investing

(iv) inflow, financing

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2. Write short notes on any *five* of the following : $2 \times 5 = 10$

(a) Nature of Management Accounting

(b) Master Budget

(c) Zero-based Budgeting

(d) Material Cost Variance

(e) Overhead Cost Variance

(f) Variable Cost

(g) Debt to Equity Ratio

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