

C. U. SHAH UNIVERSITY

Winter Examination-2019

Subject Name: Cost and Management Accounting

Subject Code: 5MS02CMA1

Branch: MBA

Semester: 2 Date: 09/09/2019

Time: 02:30 To 05:30

Marks: 70

Instructions:

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

SECTION – I

- | | | |
|------------|---|-------------|
| Q-1 | Attempt the Following questions | (07) |
| | a. State the meaning of cost accounting | 1 |
| | b. Explain cost unit | 1 |
| | c. What is the full name of VED? | 1 |
| | d. Name any two direct expenses | 1 |
| | e. What is meant by normal loss ? | 1 |
| | f. Give two examples of administrative overhead | 1 |
| | g. Name two industries where batch costing is applicable | 1 |
| Q-2 | Attempt all questions | (14) |
| a | State the advantages and limitations of cost accounting | 7 |
| b | Explain different methods of costing | 7 |
| OR | | |
| Q-2 | Attempt all questions | (14) |
| a | Explain classification of overhead | 7 |
| b | State the meaning & features of job costing | 7 |
| Q-3 | Attempt all questions | (14) |
| a | Explain joint products and by product | 7 |
| b | State the differences between ABC costing & absorption costing | 7 |
| OR | | |
| Q-3 | a In a company if Direct material is Rs 5,00,000, Direct wages is Rs.3,00,000, Opening stock of material is Rs.1,00,000, Closing stock of material is Rs. 80,000, factory, administrative & selling Overhead respectively Rs. 60,000, Rs. 40,000& Rs. 50,000. Prepare Cost sheet. | 7 |
| | b If Annual usage is 2600 units, ordering cost is Rs.100 per order, Annual carrying cost per unit is Rs.15, Minimum & maximum usage respectively 25 & 75 units per week and reorder period 4 to 6 weeks. | 7 |



Find out Reorder Quantity, Reorder level, Minimum level maximum level & Average level.

SECTION – II

- Q-4 Attempt the Following questions (07)**
- a. State the meaning of variable cost **1**
 - b. What is the formula of margin of safety ? **1**
 - c. Explain kaizen costing in brief **1**
 - d. What is meant by long term budget? **1**
 - e. State the meaning of standard **1**
 - f. What is the meaning of variance? **1**
 - g. State the meaning of BEP **1**
- Q-5 Attempt all questions (14)**
- a Explain the steps in establishing a system of standard costing **7**
 - b Write short note on Zero base Budgeting **7**
- OR**
- Q-5 a Discuss steps in decision making 7**
- b State advantages and limitations of budgeting 7**
- Q-6 Attempt all questions (14)**
- a If Fixed cost is Rs. 5,00,000, Variable cost per unit is Rs. 8 & Selling price per Unit is Rs. 10. Find out Contribution Per Unit, BEP Units & Rs., PV Ratio. **7**
 - b Below are the sales for the month of January to March respectively Rs. 2,00,000, Rs.3,00,000& Rs.4,00,000. During the same period Purchases are 1,50,000,270,000& 3,20,000 respectively. Opening Cash Balance Rs. 50,000. Prepare cash budget from January to March presuming 30% amount of sales will realize in next month of sales. **7**
- OR**
- Q-6 Attempt all Questions**
- a Give the formulas of Material variances **7**
 - b Discuss the importance of standard costing **7**

