

PG Odd Semester Examination, 2022

COMMERCE

(3rd Semester)

Course No.: COMCC-305
(Management Accounting)

Full Marks: 70

Pass Marks: 28

Time: 3 hours

*The figures in the right margin indicate full marks for the question.
Answer any five questions, taking one from each unit.*

UNIT-I

1. “Management Accounting is nothing more than the use of financial informations for Management Purpose”. Justify the statement and also distinguish between Financial Accounting and Management Accounting. 6+8=14
2. What is Financial Accounting? Discuss the nature and scope of Financial Accounting. 4+10=14

UNIT-II

3. (a) What is Transfer Pricing?
(b) MS Company Ltd. is a leading manufacturer of a certain consumer durable product. The company has two divisions— Engineering and Assembly. The output of the engineering division is transferred to the assembly division for further processing and assembling before being sold to the customer as a complete product. Verification of the company’s records reveals that the variable cost per unit of the

product for engineering and assembly is Rs. 250 and Rs. 300 respectively. The fixed cost of the engineering division is Rs. 15,000 and that of the assembly division is Rs. 10,000. The product variable cost per unit of the engineering division is Rs. 400, and the total output is 100 units which are sold to the customer on completion @ Rs. 2000 per unit. If the engineering division decides to charge its transfers to the assembly division at cost plus 150% what will be overall profit of the firm and the profits of its two divisions.

2+12=14

4. (a) What is responsibility accounting? Discuss the steps involved in the implementation process of the responsibility accounting system.

2+8=10

- (b) What is zero-base budgeting? 4

UNIT-III

5. What is cost-volume-profit analysis? Discuss the limitations of marginal costing. Differentiate between Absorption Costing and Marginal Costing.

3+6+5=14

6. What do you understand by Margin of safety? From the following information, calculate (i) BEP, (ii) No. of Units that must be sold to earn a profit of Rs. 60,000 per year, (iii) No. of units that must be sold to earn a net income of 10% on sales. Selling price Rs. 20 per unit; Variable price Rs. 14 per unit and Fixed cost Rs. 79,200.

2+12=14

UNIT-IV

7. Explain the term 'Variance Analysis'. Narrate the significance of variance analysis in managerial

decision-making. Also discuss the limitations of standard setting. 4+5+5=14

8. What is overhead variance? From the following details, calculate variable overhead variances :

Particulars	Budgeted	Actual
Variable overhead (Rs.)	120000	170000
Output (Units)	20000	22000
Hours	60000	50000

UNIT-V

9. Write notes on any two from the following :

- (a) Balance scorecard
 (b) Financial Forecasting
 (c) Value chain analysis

10. What is Activity-Based Costing (ABC)? Discuss the steps involved in the establishment of ABC. Discuss the difference between traditional costing and ABC.

3+6+5=14
