

PG Even Semester (CBCS) Exam., April—2019

BUSINESS ADMINISTRATION

( 2nd Semester )

Course No. : MBACC-202

Full Marks : 70

Pass Marks : 28

Time : 3 hours

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

Candidates have to answer *either* from Option—A  
or Option—B

OPTION—A

Course No. : MBACC-202(A)

( Management Accounting and Control )

Answer **all** questions

1. (a) “Management Accounting aims at providing analytical support to the management for taking decisions.”  
Elaborate your answer with examples. 7

- (b) From the following particulars, prepare a cost sheet showing the components of total cost and the profit for the year ended 31st December, 2018 : 7

	Amount (₹)	Amount (₹)
Sales for the year		3,05,000
Inventories as on 01-01-2018 :		
Finished goods	8,500	
Work-in-progress	5,500	
Inventories as on 31-12-2018 :		
Work-in-progress	7,600	
Finished goods	9,400	
Material inventory :		
As on 01-01-2018	5,500	
As on 31-12-2018	6,000	
Purchased of material for the year		1,35,000
Direct labour		75,000
Factory overhead @ 50% of the direct labour cost		
Other expenses for the year :		
Selling expenses 10% of sales		
Administrative expenses 8% of sales		

**OR**

2. (a) How does Management Accounting differ from Financial Accounting? State the limitations of Management Accounting. 7

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- (b) Prepare a statement showing the result of a company's production operation for September 2018. Cost records give the following information : 7

	1st Sept. 2018 (₹)	30th Sept. 2018 (₹)
Raw material	1,00,000	1,23,500
Finished goods	71,500	42,000
Work-in-progress	31,000	34,500
		₹
Purchase of raw materials		88,000
Direct wages		70,000
Indirect wages		2,500
Works expenses		37,000
Administrative expenses		13,000
Scrap		2,000
Selling and distribution expenses		15,000
Sales		2,84,000

3. (a) What is meant by material and labour cost control? Name the techniques one should use to control material and labour cost in an efficient and effective way. 2+5=7

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( Turn Over )

( 4 )

- (b) A product passes through three distinct processes, I, II, III. In each process, there is a process loss of 8%, 5% and 2% respectively. The product of three processes are dealt with as follows :

	Process-I	Process-II	Process-III
Passed to next process	80%	60%	—
Sent to warehouse for sale	20%	40%	100%
Expenses incurred :			
Direct material	80,000	1,10,000	75,000
Wages	22,000	18,000	10,000

The overhead expenses for the period were ₹ 20,000 apportioned to the process on the basis of wages. Prepare Process Account. 7

**OR**

4. (a) Explain joint product and by-product with reference to an industry where by-product becomes the main product of other. 7
- (b) XYZ Company maintained separate Cost and Financial Account and the profit shown in the financial accounts was ₹ 1,82,300 and for the same period the cost account showed a profit of ₹ 1,93,600. Examination of accounts showed the following differences :

	Cost Account (₹)	Financial Account (₹)
Opening Stocks :		
Materials	46,200	48,100
Work-in-progress	32,000	33,600

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( Continued )

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	Cost Account (₹)	Financial Account (₹)
Closing Stocks :		
Materials	39,000	36,300
Work-in-progress	22,500	20,800

Additional informations :

- (i) Interest remitted but ignored in cost accounts ₹ 1,200
- (ii) Interest charged but not considered in financial accounts ₹ 9,800
- (iii) Overhead expenses charged in financial accounts are ₹ 1,51,700 but overhead recovered in cost accounts are ₹ 1,57,200
- (iv) Preliminary expenses written-off ₹ 17,500

Reconcile the profit figures. 7

5. (a) "Budget is an aid to management not a substitute for management." Comment. 4

(b) From the following information, prepare a monthly cash budget for three months ending 31-12-2018 : 10

Month	Sales	Materials	Wages	Production	Selling and Administrative Expenses
June	6000	3600	1300	450	320
July	6500	4000	1500	450	320
August	7000	4000	1500	500	350

( 6 )

Month	Sales	Materials	Wages	Production	Selling and Administrative Expenses
September	7500	4500	1500	600	350
October	8000	4600	1600	600	400
November	8500	5000	1800	700	400
December	9000	5200	2000	700	450

Adjustments :

- (i) Credit terms are :
  - (1) Sales three months to debtors. 10% of sales on each. On an average 50% of credit sales are paid on due date while the other 50% are paid on the following month.
  - (2) Lag in payment of wages  $\frac{1}{4}$  month, overhead  $\frac{1}{2}$  month.
- (ii) Cash and bank balances on 1st October is ₹ 3,000.
- (iii) Other relevant information :
  - (1) Plant and machinery could install in August at a cost of ₹ 48,000, it will be paid in monthly installment of ₹ 1,000 from 1st October.
  - (2) Preference share dividends of 5% on capital of ₹ 1,00,000 are to be paid on 1st December.

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- (3) Calls on 500 equity shares at ₹ 2 per share are expected on 1st November.
- (4) Dividends from investments amounting to ₹ 500 are expected on 31st December.
- (5) Income tax advance to be paid in December ₹ 1,000.

6. (a) Discuss the importance of BEP, margin of safety, contribution and P/V ratio in relation to marginal costing. 7

(b) A company provides the following details :

Fixed expenses—₹ 2,00,000  
Variable cost per unit—₹ 12  
Selling price per unit—₹ 20

From the above informations, calculate—

- (i) contribution;
- (ii) P/V ratio;
- (iii) BEP in units and in rupees.
- (iv) What will be the SP per unit if the BEP is brought up to 30000 units?
- (v) How many units are to be sold to earn a net income of 30% on sales? 7

( 8 )

OR

7. (a) Give a comparative description of absorption costing and marginal costing. 7

(b) A company follows the same cost structure and selling price in two different periods, i.e., 1st and 2nd :

Period	Sales (₹)	Profit (₹)
1st	80,000	6,000
2nd	1,00,000	10,000

Find out (i) P/V ratio, (ii) fixed cost, (iii) BEP, (iv) profit when sales are of ₹ 90,000, (v) sales required to earn a profit of ₹ 15,000 and (vi) margin of safety at a profit of ₹ 12,000. 7

8. (a) Explain the meaning of 'variance analysis' and describe briefly the managerial uses of variance analysis. 4

(b) The following are the details of a company :

Standard cost for a period :

	Quantity	Rate (₹)
Material x	8 kg	30
Material y	12 kg	80
Standard yield is 90% of input		

( 9 )

The actual cost for the period—

	Quantity	Rate (₹)
Material x	11 kg	45
Material y	19 kg	72

Actual yield is 26.5 kg

Compute the following : 10

- (i) Material cost variance
- (ii) Material price variance
- (iii) Material usage variance
- (iv) Material mix variance
- (v) Yield variance

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OPTION—B

Course No. : MBACC-202(B)

( Hospitality and Tourism Management )

Answer **all** questions

1. How does the UNWTO define 'tourism industry'? List the major constituents of the tourism industry and elucidate the role played by these constituents in promoting tourism in a destination. 4+10=14

**OR**

2. Throw light on the different types of tourism that have emerged based on specific travel motivations. Also show how the features of ecotourism differ from those of conventional leisure tourism. 8+6=14
3. Explain the concept and the phases of tourist area life cycle. Examine the implication of this concept for planning of tourism promotion in a region. 8+6=14
4. Examine critically the major determinants of tourism demand. 14

**OR**

5. Assess the recent trends of growth of inbound tourism in India. What in your view should be the thrust areas of Indian tourism if the country were to make possible a faster and sustainable growth of the hospitality and tourism industry? 6+8=14

6. (a) Why is hospitality management considered important? Discuss. 6

(b) Examine the present structure of the Indian hospitality industry. 8

**OR**

7. (a) Mention the globally accepted bases for classification of hotels. 4

(b) Examine the portfolio of the different classes of hotels maintained by the Taj group. Why did the group opt for this kind of diversification? Discuss. 10

8. Write brief notes on the following : 5+5+4=14

(a) Importance of housekeeping

(b) Procedure for handling of guest complaints

(c) OYO rooms

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