

2M5102

Roll No. _____

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M. B. A. II Sem. (Main / Back) Exam., April – May 2017
M-202A Cost Accounting for Management

Time: 3 Hours

Maximum Marks: 70

Min. Passing Marks: 28

Instructions to Candidates:

- (i) *The question paper is divided in two sections.*
- (ii) *There are sections A & B. Section A contains 6 questions out of which the candidate is required to attempt any 4 questions. Section B contains short case study / application based question which is compulsory.*
- (iii) *All questions carry equal marks.*

1. NIL

2. NIL

SECTION – A

Q.1 What is meant by Absorption of Overhead? Describe the different methods of Absorption of Overhead. [5+9=14]

Q.2 (a) Give advantages and limitations of marginal costing. [7]

(b) What are the main objectives of budgetary control? [7]

Q.3 Coates India Ltd. manufactures a particular product, the standard direct labour cost of which is ₹ 120 per unit and whose manufacture involves following –

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[2340]

Grades of workers	Hours	Rate ₹	Amount ₹
A	30	2	60
B	20	3	60
Total	50		120

During a period, 100 units of the product were produced, the actual labour cost of which was as follows -

Grades of workers	Hours	Rate ₹	Amount ₹
A	3,200	1.50	4,800
B	1,900	4.00	7,600
Total	5,100		12,400

Calculate -

- (a) Labour Cost Variance [3]
- (b) Labour Rate Variance [3]
- (c) Labour Efficiency Variance [4]
- (d) Labour Mix Variance [4]

Q.4 Define and distinguish cost audit and management audit, Also give the salient features of cost audit in India. [4+4+6=14]

Q.5 What is the difference between cost reduction and cost control? What are the major areas in which cost reduction is usually possible? Discuss techniques of cost reduction in brief. [4+4+6=14]

- Q.6 (a) Explain the purpose of reporting to management. [5]
(b) Give the essentials of an effective reporting to management. [6]
(c) What is the difference between Routine Reports and Special Reports? [3]

SECTION - B

Q.7 A company furnished the following information -

Year	Sales	Profit/Loss
2014 - 15	₹ 1, 00,000	₹ 10,000 (Loss)
2015 - 16	₹ 4, 00,000	₹ 50,000 (Profit)

Calculate -

- (a) P/V Ratio. [2]
(b) Break Even Point. [2]
(c) Percentage of variable cost to sales. [3]
(d) The number of units to Break - even if selling price is ₹ 100 per unit. [3]
(e) The number of units to earn a profit of ₹ 1,00,000. [4]

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