

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER - II EXAMINATION - SUMMER 2025

Subject Code: MB02095011

Date: 12-06-2025

Subject Name: Management Accounting and Costing

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	Marks
Q.1 ALL 7 Questions must be Compulsory.	14
(a) Cost Object and Cost center	
(b) Expense & Cost	
(c) Learning Curve Theory	
(d) Joint product & By product	
(e) Overheads	
(f) EOQ	
(g) Marginal cost	
Q.2 (a) What do you mean by management accounting? Also Differentiate between Cost Accounting and Management Accounting	07
(b) Discuss the Functions of Management Accounting in detail. Also state the users of Management accounting	07
OR	
(b) ABC firm maintains its stores ledger on the FIFO method. During the month of June 2009, the following receipts and issues of materials were made. You are required to record these transactions in the stores ledger Under FIFO method	07
Receipts:	
1 June Balance 100 units @ Rs. 5 per unit	
4 June Purchase Order No. 101, 80 units @ Rs. 4/unit	
8 June Purchase Order No. 103, 60 units @ Rs. 5/unit	
15 June Purchase Order No. 102, 40 units @ Rs. 3/unit	
25 June Purchase Order No. 104, 80 units @ Rs. 6/unit	
Issues:	
11 June Material Requisition No. 21, 120 units	
14 June Material Requisition No. 22, 50 units	
16 June Material Requisition No. 23, 40 units	
20 June Material Requisition No. 24, 20 units	
27 June Material Requisition No. 25, 30 units	

Q.3 (a) Elaborate in detail the concepts and Techniques of Strategic Management Accounting with examples.

07

(b) The following is extracted from the cost of records of a factory producing a commodity in the manufacture of which three processes are involved. Prepare process cost accounts, showing the cost of output and the cost per unit at each stage of the manufacture. The value at which the units are to be charged to processes two and three is cost of processes one and two respectively.

07

Process No	I Rs.	II Rs.	III Rs.
Direct Wages	10000	20000	26000
Machine Expenses	5600	4800	4800
Factory Overhead	4400	6200	3600
Raw Materials Consumed	32000	---	----
	Units	Units	Units
Production (gross)	11000		
Wastage	600	840	800
Stock on 1st January 2009		1000	2000
Stock on 31st January 2009		1760	400

OR

(a) Write short notes on: (i) Target Costing (ii) Kaizen Costing

07

(b) From the following information of Gujarat Co. Ltd., you are required to prepare a cost sheet for the year 2025. Also find the selling price per unit assuming that profit margin is uniformly made to yield a profit of 20% on selling price. (Assume that there is no work-in-progress in the beginning as well as at the end of the year.)

07

Consumable Materials:	
Opening stock	15,000
Purchases	1,15,000
Closing stock	20,000
Direct wages	30,000
Other direct expenses	15,000
Factory overheads	100% of direct wages
Office overheads	10% of works cost
Selling and distribution expenses	Rs. 3 per unit sold
Units of finished products	
In hand at the beginning of the period (Value: Rs. 26,500)	2,000
Produced during the period	20,000
In hand at the end of the period	3,000

Q.4 (a) Discuss the advantages and limitations of standard costing in detail.

07

(b) Prepare a cash budget for the 3 month that is 30th June from the following information:

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month	Sales Rs	Materials Rs.	Wages Rs.	Overhead Rs.
February	14000	9600	3000	1700
March	15000	9000	3000	1900
April	16000	9200	3200	2000
May	17000	10000	3600	2200
June	18000	10400	4000	2300

- 1. 10% of the sales are in cash
- 2. Credit terms are:

Debtors: 50% of the credit sales are collected next month and balance in the following month

Creditors: for materials -2 months, for wages – ¼ months, for overhead-1/2 month

- 3. Plant and machinery will be installed in February 2009 total cost of Rs.96000. The monthly installment of Rs. 2000 is payable from April onwards
- 4. A dividend of @ 5% on preference share capital of Rs. 200000 will be paid on 1st June
- 5. Advance to be received for sale of vehicle of Rs. 9000 in June
- 6. Dividend from investment amounting to Rs. 1000 is expected to be received in June
- 7. Income tax (advance) to be paid in June of Rs. 2000
- 8. Cash and Bank balance on 1st April 2002 to be Rs. 6000.

OR

(a) Explain in detail the meaning and uses of CVP Analysis? Explain its advantages and uses in detail.

07

(b) Budgeted and Actual sale of ABC co. for a period for two products are given as follows:

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	Budgeted			Actual		
	Qty (Kg)	Rate (Rs.)	Amount (Rs.)	Qty (Kg)	Rate (Rs.)	Amount (Rs.)
Product P	1000	5.00	5000	1200	6.00	7200
Product Q	1200	10.00	12000	1110	9.00	9990

Standard cost per unit of product P and Q were Rs. 4 and Rs. 7 Respectively. Calculate Sales Value Variance, Sales Mix Variance, Sale Price/Rate Variance, Sales Quantity(revised) Variance and Sales Volume Variance.

Q.5 A factory manufacturing calculators had the capacity to produce 10,000 calculators per annum. The marginal cost of each calculator is Rs. 100 and each calculator is sold for Rs. 150. Fixed overheads are Rs. 20,000 per annum.

(a) Calculate the (i) P/V ratio (ii) BEPs for output and sales

07

- (b)** Determine the profit of output as 80% capacity in above case. Also find out the Margin of safety. **07**

OR

- (a)** A & B Co. Ltd furnishes the following data for the year that ended on 31 December 2009: **07**

- Selling price per unit Rs. 20
- Production and sales 1,000 units
- Variable cost per unit Rs. 10
- Fixed cost Rs. 5,000

You are required to show the impact of the following actions on the P/ V ratio.

- (a) The variable cost increases to Rs. 12 per unit.
(b) The fixed cost increases to Rs. 7,500.
(c) The selling price increases to Rs. 30 per unit.
- (b)** In Above Question 5(a), You are required to show the impact of the following actions on the BEP and margin of safety as follows: **07**
- (a) The variable cost increases to Rs. 12 per unit.
(b) The fixed cost increases to Rs. 7,500.
(c) The selling price increases to Rs. 30 per unit.
