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**MASTER OF BUSINESS ADMINISTRATION  
(FULL TIME PROGRAMME) (MBACN)**

**Term-End Examination**

**June, 2012**

**MCN-007 : COST AND MANAGEMENT  
ACCOUNTING**

*Time : 3 hours*

*Maximum Marks : 100*

**Note : Attempt any five questions.**

1. Define Management Accounting. Discuss the role of management Accountant in decision-making. 20
  
2. Discuss the following with accounting treatment 6+7+7
  - (a) Wastage
  - (b) Spoilage
  - (c) Defectives
  
3. State the reasons for disagreement between costing profit and financial profit. Prepare an imaginary reconciliation statement. 20
  
4. What is a cost sheet ? What are its advantages. Prepare a cost sheet of a cloth manufacturer with imaginary figures ? 20
  
5. What is budgetary control ? How is it exercised ? What precautions should be taken while preparing the budget to make it more effective ? 20

6. Calculate Material Price Variance (MPV), Material Usage Variance, Material Mix variance, Material yield Variance from the following informations : 20

Standards			Actuals		
Material	Qty.	Price	Material	Qty.	Price
A	100	20	A	215	18
B	200	17	B	385	20
	300			600	
Loss 10%	30		Loss	70	
Output	270		Output	530	

7. The ratio of variable cost to sale is 60%. The break - even point occurs at 80% of sales. Fixed costs are Rs 2,00,000. Find Sales Capacity and the sales at Break even point. Also determine profit at 90% and 100% sales capacity. 20
8. Define 'Inflation Accounting'. Enumerate its advantages and limitations. 20

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