

AR17

Code: 17MBA2005

SET-I

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)**

I MBA II Semester Regular & Supplementary Examinations, June-2019

COST AND MANAGEMENT ACCOUNTING

Time: 3 Hrs

Max. Marks: 60

**Answer any Five questions
All questions carry EQUAL marks
Question No. 8 is Compulsory**

1. List out the different methods of costing and explain their practical applications? **12 M**
2. Explain the meaning and objectives of overhead cost. Explain briefly the meaning of the terms fixed, semi-variable and variable overhead costs with suitable examples. **12 M**
3. How will you deal with normal wastage, abnormal wastage and abnormal gain in process costing? Explain the effect of each of them on the cost of manufacturing one unit. **12 M**
4. How do you classify costs for managerial use? Define cost centre and cost unit. Illustrate. **12 M**
5. What is cost volume profit analysis? Explain the usefulness of CVP analysis to the management of a company. **12 M**
6. Calculate the machine hour rate from the following. **12 M**

Particulars	Rs.
Cost of Machine	18,000
Cost of installation	2,000
Scrap value after 10 years	2,000
Rates and rent for a quarter for shop	600
General lighting	200 PM
Shop supervisor's Salary	6000 per quarter
Insurance premium for a machine	120 PA
Estimated repair	200 PA
Power 2 units per hour @ Rs. 150 per 100 unit	
Estimated working hours p.a. 2,000	

The machine occupies $\frac{1}{4}^{\text{th}}$ of the total area of the shop. The supervisor is expected to devote $\frac{1}{6}^{\text{th}}$ of his time for supervising the machine. General lighting expenses are to be apportioned on the basis of floor area.

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7. Prepare a Process Account and Abnormal loss account from the following Information. **12 M**

Input of Raw-materials (1000 Units)	Rs. 4200
Direct material	Rs. 6000
Production OH	Rs. 6000
Actual output transferred to process – II	900 units
Normal Loss	5%
Value of Scrap Per unit	Rs. 8

8. **CASE STUDY:** **12M**

The standard material cost to produce a ton of chemical X is given below:

300 kg of material A @ Rs.10 per kg

400 kg of material B @ Rs.5 per kg

500 kg of material C @ Rs.6 per kg

During a particular period, 100 tons of mixture X was produced from the usage of

35 tons of material A @ Rs.9, 000 per ton

42 tons of material B @ Rs.6, 000 per ton

53 tons of material C @ Rs.7, 000 per ton

Calculate material cost, price, usage and mix variances.

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