

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**
**PGDM / PGDM (M) / PGDM (SM)**
**THIRD TRIMESTER (Batch 2022-24)**
**END TERM EXAMINATION, APRIL 2023**
**SET 1**

Course Name	Management Accounting and Control	Course Code	10204
Max. Time	2 hours	Max. Marks	40 MM

**INSTRUCTIONS:**

- Answer all the questions
- Calculator (including scientific) is allowed in the examination, but exchange of calculators is strictly prohibited.
- Necessary assumptions can be made wherever required, but students must mention and state logic behind such assumptions.
- Strictest disciplinary action will be taken if unfair means is adopted.

**(CLO 2, BT 1)**

Q1) One division of Samosa-Kebab Co. produces soft-drinks can crates. For each can crate the following standards of labour and material cost have been set by production-engineering division.

Item	Data
Direct labour	0.25 hour required for each crate @ Rs.12 per hour
Direct Material	4 Kg recycled plastic @ Rs.0.60 for each crate

In December 2022, total 50,000 crates were produced.

Actual material purchased (recycled plastic) amounted to 2,10,000 kg at a total cost of Rs.1,30,200/. Actual labour cost incurred Rs.158600 for 13,000 actual labour hours. Find –

- Material cost variance
- Material price variance
- Material usage variance
- Labour cost variance
- Labour rate variance
- Labour efficiency variance

Marks 12. (2 x 6)

**(CLO3, BT IV)**

2.) The Finance manager of a poultry firm in the NCR estimates that the firm's fixed overhead is Rs.60,00,000 PA (rupees sixty lac per annum) allocable to raising of the chickens for sale. She also estimates that the variable cost directly traceable for raising the chicken is Rs.25 per chicken raised and sold. The administration overhead which is purely a periodical cost is Rs.20,00,000. Since the firm has a single product, overhead is applied on the basis of output units. Examine –

- predetermined fixed overhead absorption rate for chicken inventory valuation under each of the following output predictions –  
i) 100000 chickens, ii) 200000, and iii) Rs.300000 chickens
- Examine the - i) total cost per chicken for inventory valuation for the output levels above (a). ii) why the total cost per chicken comes down as output level goes up.
- If the mark-up is 25% on total cost, what would sales price per chicken of each level of above output.

Analyze your answers with proper working.

Marks 10 (4+4+2)

**(CLO 1, BT II)**

Q3) The following figures is extracted from the books of a manufacturing concern for the year 2021-22:

{CLO1; BT level VI}

	(Rs.)
Direct Materials	210,000
Direct Labour	80,000
Fixed Overhead	65,000
Variable overhead	100000
Sales	600000

- A) Show the Break- Even point and P/V ratio based on the above data  
B) Demonstrate the effect on B.E.P. of an increase of 10% in: - (a) Fixed Expense (b) Variable Expenses,

Marks 8 (3+5).

**(CLO2, BT II)**

Q4) X Ltd produces branded lenses and mirrors used in telescopes. The company currently allocates overhead based on labour-hours. The company appoints a consultant to improve current cost accounting system and processes. He advises that ABC ( Activity based costing) improves overhead allocation. The following information is available for January 2023.

Particulars	Mirrors	Lenses
Units produced	30	30
Material movement per product line	4	16
Direct labour hours per unit	250	250

Total budgeted material – handling cost is Rs. 90,000/.

1. Under a costing system that allocates overhead on the basis of direct labour hour, show the material handling cost allocated to one mirror and one lenses respectively ?
2. Under ABC, the cost driver for material-handling activity is the number of material moves. Under ABC, show -how the material-handling cost will be allocated to one mirror and one lenses ? Compare the result with that of (1).

Marks : 10 (4+6)