



(12)

**Bc/BC/C9**

**2025**

**( FYUGP )**

**( 5th Semester )**

**COMMERCE**

**( MAJOR )**

Paper Code : BC/C9

**( Management Accounting )**

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

*The figures in the margin indicate full marks  
for the questions*

1. (a) Discuss the scope and limitation of  
Management Accounting. 10+5=15

Or

- (b) Explain the scope for cost reduction.  
Distinguish between Cost Control and  
Cost Reduction. 7+8=15

26L/149

( Turn Over )

( 2 )

2. (a) What is budgetary control? State the main objectives of budgetary control. What are the main steps involved in budgetary control?  $3+6+6=15$

Or

(b) The following are the budgeted expenses for the production of 10000 stoves :

	₹ (Per unit)
Direct Materials	60
Direct Labour	30
Variable Overhead	25
Fixed Overhead (₹ 1,50,000)	15
Selling Expenses (10% fixed)	20
Administrative Expenses (50% fixed)	10
	<u>160</u>

Prepare a budget for the production of 6000, 7000 and 8000 unit stoves. 15

3. (a) Explain the objectives and limitation of standard costing as a technique of cost control.  $9+6=15$

26L/149

( Continued )

( 3 )

Or

(b) From the following information, calculate—

- (i) Material Cost Variance;
- (ii) Material Price Variance;
- (iii) Material Usage Variance;

(iv) Material Mix Variance : 15

Material	Standard	Actual
A	90 units @ ₹ 12	100 units @ ₹ 12
B	60 units @ ₹ 15	50 units @ ₹ 16

4. (a) Discuss the main features and disadvantages of marginal costing.  $8+7=15$

Or

(b) The following cost information relating to a product is supplied by a Cost Accountant :

₹	
Sales	8,00,000
Variable Cost	5,60,000
Fixed Cost	1,80,000
Profit	60,000

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( Turn Over )

( 4 )

You are required to calculate—

- (i) P/V ratio;
- (ii) Break-even Sales;
- (iii) Margin of Safety;
- (iv) Sales to earn a Profit of ₹ 1,20,000;
- (v) Profit at a sales of ₹ 12,00,000. 3×5=15

5. (a) Discuss the importance of liquidity ratios, activity and profitability ratios in the decision-making of a business. 15

Or

(b) From the following Balance Sheets, prepare Cash Flow Statement : 15

Balance Sheets

	2023	2024
	₹	₹
Equity Share Capital	3,00,000	3,00,000
Reserve & Surplus :		
Profit & Loss	38,000	39,000
Long-term Debt :		
Debentures	52,000	54,000
Current Liabilities :		
Sundry Creditors	28,800	20,400
Provision for Taxation	48,000	54,000
	<u>4,66,800</u>	<u>4,67,400</u>

26L/149

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( 5 )

Assets

2023  
₹

2024  
₹

Fixed Assets :

Tangible :

Land

1,20,000

1,08,000

Building

1,11,000

1,08,000

Intangible :

Goodwill

36,000

36,000

Current Assets :

Inventory

1,20,000

1,03,200

Trade Receivable

60,000

66,600

Cash and Cash Equivalent

19,800

45,600

4,66,800

4,67,400

Additional Information :

- (i) A piece of land has been sold for ₹ 12,000
- (ii) Depreciation of ₹ 21,000 had been charged to building
- (iii) An interim dividend paid during the year—₹ 15,000
- (iv) Tax paid during the year—₹ 5,000

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26L-1000/149

Bc/BC/C9