

INDIAN MARITIME UNIVERSITY
(A Central University, Govt. of India)

End Semester Examinations –Dec 2019/Jan 2020

M.B.A (Port and Shipping Management) /
(International Transportation & Logistics Management)

Semester- II

PG21T2202 /PG22T2202–Cost and Management Accounting

Date: 06.12.2019

Time: 3 Hrs

Max Marks: 60

Pass Marks: 30

PART – A

Answer all the questions. All the questions carry equal marks.

12 x 1 = 12 Marks

1. Costing is a technique of
 - a) Inventory control
 - b) Management control
 - c) Ascertainment of cost
 - d) Calculation of cost

2. costing is suitable for mines, quarries, cement works etc.
 - a) Process
 - b) Contract
 - c) Batch
 - d) Operation

3. Bin card is a record of only.
 - a) Quality
 - b) Quantity
 - c) Numbers
 - d) Value

4. Material control aims at achieving effective management.
 - a) Marketing
 - b) Production
 - c) Organization
 - d) Material

5. Purpose of management accounting is to
 - a) Past orientation
 - b) Help banks make decisions
 - c) Help managers make decisions
 - d) Help investors make decision

6. If total cost of 100 units is Rs 5000 and those of 101 units is Rs 5030 then increase of Rs 30 in total cost is
- Marginal cost
 - Prime cost
 - All variable overheads
 - None of the above
7. Which ratio is considered as safe margin of solvency?
- Liquid ratio
 - Quick ratio
 - Current ratio
 - none of the above
8. Liquid ratio is also known as
- Quick ratio
 - Acid test ratio
 - Working capital ratio
 - Stock turnover ratio
- A and B
 - A and C
 - B and C
 - C and D
9. The term current asset doesn't cover
- Car
 - Debtors
 - Stock
 - Prepaid expenses
10. P&L statement is also known as
- Statement of operations
 - Statement of income
 - Statement of earnings
 - All of the above
11. Funds flow statements are prepared so as to
- To identify the changes in working capital
 - To identify reasons behind change in working capital
 - To know the item-wise outflow of funds during given period
 - All of the above
12. The use of management accounting is
- Optional
 - Compulsory
 - Legally obligatory
 - Compulsory to some and optional to others

PART – B

Answer any **five** of the following questions.

5 x 4 = 20 Marks

13. Discuss the various uses of Break-even analysis.
14. What is Zero based budgeting? Explain two advantages of ZBB.
15. A manufacturer produces 1500 units of products annually. The marginal cost of each product is Rs. 960 and the product is sold for Rs. 1200. Fixed cost incurred by the company is Rs. 48,000 annually. Calculate P/V Ratio and what would be the break - even point in terms of output and in terms of sales value?
16. What are the different types of responsibility centers?
17. Current Ratio=2.8
Acid-test Ratio=1.5
Working Capital=Rs. 1, 62,000
Find out (A) Current Assets (B) Current Liabilities (C) Liquid Asset
18. Distinguish between Management Accounting and Cost Accounting.
19. What are the benefits of cash flow statement?

PART - C

Question No.20 is compulsory and answer any three from the remaining five questions

4 x 7 = 28 Marks

20. The expenses budgeted for production of 1,000 units in a factory are furnished below:

| Particulars | per Unit Rs. |
|---|--------------|
| Material Cost | 700 |
| Labour Cost | 250 |
| Variable overheads | 200 |
| Selling expenses (20% fixed) | 130 |
| Administrative expenses (Rs. 2, 00,000) | 200 |
| Total Cost | 1,480 |

Prepare a budget for production of 600 units and 800 units assuming administrative expenses are rigid for all level of production.

21. Calculate Current Ratio and Acid Test Ratio from the following information:

| Particulars | Rs. |
|--|-----------|
| Inventories | 50,000 |
| Trade receivables | 50,000 |
| Advance tax | 4,000 |
| Cash and cash equivalents | 30,000 |
| Trade payables | 1, 00,000 |
| Short-term borrowings (bank overdraft) | 4,000 |

22. A manufacturing concern, which has adopted standard costing, furnished the following information:

Standard Material for 70 kg finished product = 100 kg.

Price of materials: Re. 1 per kg.

Actual Output: 2, 10,000 kg.

Material used: 2, 80,000 kg.

Cost of material: Rs. 2, 52,000.

Calculate: (a) Material Usage Variance (b) Material Price Variance (c) Material Cost Variance

23. Discuss the most commonly used techniques of Financial Statement analysis

24. The following figures for profit and sales obtained from the accounts of Y Co. Ltd.

| Period | Sales (Rs.) | Profit (Rs.) |
|--------|-------------|--------------|
| 2016 | 2, 70,000 | 6,000 |
| 2017 | 3, 00,000 | 15,000 |

Assuming the cost structure and selling price remains the same in both the years, calculate:

a) P/V Ratio

b) Fixed Cost

c) Break-even Point

d) Margin of safety at a profit of Rs.24000.

25. The total cost of a product or service is basically classified into material cost, labour cost and expenses .Elucidate the statement
