

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA-SEMESTER-II-EXAMINATION-SUMMER-2025

Subject Code: 1529502**Date: 02/06/2025****Subject Name: Management Accounting and Costing****Time: 10:30 AM TO 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

Q.1 Explain answer of the following questions 14

1. Expense V/s. Cost
2. Joint & By Product
3. ABC Analysis
4. CVP Analysis
5. Life Cycle Costing
6. Sunk Cost
7. Margin of Safety

Q.2 (a) Management accounting facilitates the planning process within an organization – 07
Justify the statement.

Q.2 (b) State the difference between the Cost Accounting and Management Accounting 07

OR

Q.2 (b) How can management accounting contribute to strategic decision-making in both 07
service and manufacturing organizations?

Q.3 (a) Discuss the classifications of costs based on behavior, function, and nature with 07
suitable examples.

Q.3 (b) Following are the details of Nitya Ltd. 07

Particular	Figures
Raw Material Consumed	Rs. 15,000
Direct Wages	Rs. 9,800
Machine Hours Worked	Rs. 2,300
Machine Hour rate (Paise)	30
Office on cost	10% of Works Cost
Selling on cost	10 Paise per Unit
Unit Produced	19,030
Unit Sold	11,418
Selling Price per Unit	Rs. 2

You are required to prepare the cost sheet in respect of the above data.

OR

Q.3 (a) What is Activity-Based Costing, and how does it differ from traditional costing methods? **07**

Q.3 (b) Annual Demand for the Raw Material of Har Cooperation is 40,000 KG. The factory works for 50 Weeks for a year. Ordering Cost is Rs. 800 per order. Price of the Material is Rs. 10/- per kg. Inventory Carrying cost is 10% of price. **07**

The Company's lead time purchasing is 3 weeks. Company has decided the safety stock as 10% of EOQ, Find out EOQ, Safety stock and Reorder level

Q.4 (a) Hirva Corporation has the following inventory, purchases and sales data for Aug-2024 **07**

Inventory on 01-Aug 500 units @ 5
Purchased on 05-Aug 600 units @6
Purchased 11-Aug 400 units @7
Purchased on 23-Aug 400 units @8
Purchased on 25-Aug 500 units @9
Issued on 09-Aug 400 units
Issued on 18-Aug 500 units
Issued on 20-Aug 400 units
Issued on 28-Aug 500 units

Apply Weighted Average Method of Inventory Valuation to compute the value of closing inventory and prepare the stock register

(b) What is CVP Analysis? Discuss the concept of Break-Even with suitable example. **07**

OR

Q.4 (a) Shrut Ltd produces the product by using following standard mix per kg. **07**

Material A – 40 % @ Rs.10 /- per kg
Material B – 60 % @ Rs.20 /- per kg

Normal Loss in production is 20% of Input. During the month 165 Kgs. of Products were produced by using 95 kgs of Material A @ Rs.9/- and 105 kgs of Material B @ Rs.20/-. You are required to find out MCV, MPV & MUV

(b) Which kind of decisions involved in the real business world. Explain it with suitable examples **07**

Q.5 A product is passes through three processes and following information is collected from the manager of Brinda Corporation.

Particular	Process-I	Process-II	Process-II
Direct material (Rs.)	5,200	3,960	5,924
Direct Labour (Rs.)	4,000	6,000	8,000
Output during the month	950	840	750
Normal Loss (%)	5	10	15
Value of Scrap per Unit (Rs.)	4	8	10

1000 Units @ Rs. 6 was introduced in Process-I. There were no opening or WIP stocks. The Production Overhead for the month is Rs. 18,000/-.

- Q.5 (a)** Prepare Process-I & Process-II Account **07**
- Q.5 (b)** Prepare Process-III Account **07**
- OR**
- Q.5 (a)** Prepare Normal Loss Account **07**
- Q.5 (b)** Find out amount of Profit per unit if the final product will sell after Process-III at the price of Rs.100/-. **07**
