

**Unit IV**

7. What is an activity based approach to designing a costing system ?
8. Briefly explain the various methods of transfer pricing.

No. of Printed Pages : 4

Roll No. ....

**BB422**

**M. B. A. EXAMINATION, May 2019**

(Second Semester)

(Old Scheme) (Re-appear)

MBA106

MANAGEMENT ACCOUNTING

*Time : 3 Hours]*

*[Maximum Marks : 70*

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Before answering the question-paper candidates should ensure that they have been supplied to correct and complete question-paper. No complaint, in this regard, will be entertained after the examination.

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**Note :** Attempt *Five* questions in all, selecting at least *one* question from each Unit. All questions carry equal marks.

**M-BB422**

**4**

**280**

(4-16/12) **M-BB422**

**P.T.O.**

### Unit I

1. Write notes on classification, allocation and absorption of overheads. How does it help in controlling overheads ?
2. Distinguish between (a) sunk cost and out of pocket cost (b) conversion cost and imputed cost.

### Unit II

3. Y Ltd. is manufacturing a part for one of its major product at a cost of ₹ 22. The cost analysis is as under :

	₹
Materials	6.00
Labour	8.00
Variable Overheads	5.00
Fixed Overheads	3.00
Total	22.00

Total requirement is 25,000 units annually. An outsider supplying this very part has offered to

supply this at ₹ 20 per unit with no change in quality and with regular supply. Should the company go for buying in place of making the part ?

4. What is Break-even Chart ? How is it prepared ? What are its limitations ?

### Unit III

5. What is Flexible Budget ? Differentiate between the Fixed and Flexible Budget.
6. From the following particulars calculate the material variances :

Materials	Standard		Actual	
	Quantity (kg)	Price (₹)	Quantity (kg)	Price (₹)
A	50	6.00	40	6.00
B	40	3.75	50	3.60
C	30	3.00	40	2.80
	120		130	