NCU-FORM-29 11 MAR 2025 (M)

| THE NORTHCAP UNIVERSITY | **Minor Examination Question Paper** | Review Date: |
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| | Department of Management and Commerce | Semester: VI<br>Session: JAN - JUN 2025 |
| | Programme: **B. Com (H)** + B.Com(h) FM<br>Course Name: **Management Accounting**<br>Course Code: **CML302** | Maximum Marks: 25<br>Duration: 90 minutes |
| | | Sheet 1 of 2 |

**Instructions**

1. The paper has THREE Sections.
   a. Section A has THREE questions of TWO marks each.
   b. Section B has THREE questions of FIVE marks each.
   c. Section C is Application Based and has FOUR marks.
2. There is **NO CHOICE** in this paper.
3. Attempt one section fully before starting with a new section.
4. This paper does NOT require use of any log/statistic table(s)
5. This paper does require the use of any calculator.

**Course Outcomes**

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| CO1 | Understand the role of management accounting in managerial decision making |
| CO2 | Comprehend information required for cost accumulation and assignment for managerial planning and control |
| CO3 | Appreciate the role of strategic cost and performance management of corporate |
| CO4 | Analyze information for decision making |

## SECTION A

Short Answer Type Questions

6 marks

| Q | QUESTION | Marks | COs |
|---|---|---|---|
| 1. | You are a financial manager in a company. How would you explain the role of Management Accounting in business decision-making to your team? | 2 | CO1 |
| 2. | A company is struggling with high production costs. How can Marginal Costing help with pricing decisions? | 2 | CO2 |
| 3. | A startup wants to prepare a budget but is unsure whether to use a Fixed Budget or a Flexible Budget. How would you guide them? | 2 | CO3 |

## SECTION B

Long Answer Type Questions

15 marks

| Q | QUESTION | Marks | CO# |
|---|---|---|---|
| 4. | ABC Ltd. produces and sells a single product. The details for the month of January are as follows:<br>• Units produced and sold: 1,000<br>• Selling Price per unit: ₹40<br>• Variable Cost per unit: ₹25<br>• Fixed Cost: ₹10,000<br><br>(i) Calculate the Profit under Marginal Costing. (3mark)<br><br>(ii) If sales increase by 200 units, determine the new profit using Marginal Costing principles. (2mark) | 5 | CO1 |
| 5. | A factory engaged in manufacturing plastic buckets is working at 40% capacity and produces 10,000 buckets per month.<br><br>The present cost breaks up for one bucket is as below: | 5 | CO2 |

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| | Materials Rs.10, Labour Rs.3, Overheads Rs.5 (60% fixed)<br><br>The selling price is Rs 20 per bucket. If it is desired to work the factory at 50% capacity the selling price falls by 3%.<br><br>At 90% capacity the selling price falls by 5% accompanied by a similar fall in the price of material.<br><br>You are required to prepare a statement about the profit at 50% and 90% capacities and calculate the BEP at the capacity production. | | |
| 6. | Angraj Ltd. produces and sells a single product. The following details are available for the month of January:<br>• Selling Price per unit = ₹50<br>• Variable Cost per unit = ₹30<br>• Total Fixed Costs = ₹40,000<br>• Units produced = 5,000<br>• Units sold = 4,000<br>**Required:**<br>1. Calculate the Profit under Marginal Costing.<br>2. Determine the Break-even Sales (in units and in ₹).<br>3. If the company wants to earn a profit of ₹20,000, how many units must be sold?<br>4. If the company increases the selling price by 10%, what will be the new Break-even Sales (in units)? | 5 | CO1 |

## SECTION C

Application Based Question

4 marks

| Q | QUESTION | Marks | CO# |
|---|---|---|---|
| 7. | Ceilia Ltd. manufactures and sells a single product. The following details are available for the month of January:<br>• Units produced = 2,000<br>• Units sold = 1,500<br>• Selling price per unit = ₹50<br>• Variable manufacturing cost per unit = ₹20<br>• Fixed manufacturing overheads = ₹30,000<br>• Fixed selling & administrative expenses = ₹10,000<br><br>**Required:**<br>1. Prepare the Income Statement using Absorption Costing.<br>2. Prepare the Income Statement using Variable Costing.<br>3. Explain why there is a difference in profit under both methods. | 4 | CO2 |

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