Roll No.												

PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – December 2025

Date: 16 – 12- 2025 **Time:** 09:30am – 12:30pm

School: SOC	**Program:** B. Com. ACCA	
Course Code : COM2055	**Course Name:** Management Accounting	
Semester: III	**Max Marks**:100	**Weightage**:50%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	20	20	20	20	20

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks. **10Q x 2M=20M**

1.	Define management information and its role.	**2 Marks**	**L1**	**CO1**
2.	What is planning, and why is it important in management accounting?	**2 Marks**	**L1**	**CO1**
3.	Define cost classification and give examples.	**2 Marks**	**L1**	**CO2**
4.	What is the difference between marginal costing and absorption costing?	**2 Marks**	**L1**	**CO2**
5.	Define inventory control.	**2 Marks**	**L1**	**CO3**
6.	What is meant by the high-low method?	**2 Marks**	**L1**	**CO3**
7.	Define flexible budget.	**2 Marks**	**L1**	**CO4**
8.	What is meant by capital rationing?	**2 Marks**	**L1**	**CO4**
9.	Define standard cost.	**2 Marks**	**L1**	**CO5**
10.	What are the three Es of performance measurement?	**2 Marks**	**L1**	**CO5**

Part B

Answer ALL the Questions. Each question carries 7 marks. **5Q x 7M = 35M**

<table>
<tr><td>11.</td><td>Explain the scope and advantages of management accounting</td><td>07 Marks</td><td>L2</td><td>CO1</td></tr>
<tr><td colspan="5">Or</td></tr>
<tr><td>12.</td><td>Describe the role of management accounting in planning and control.</td><td>07 Marks</td><td>L2</td><td>CO1</td></tr>
<tr><td>13.</td><td>A company uses 20,000 units of raw material annually.
The cost of placing one order is ₹200, and the carrying cost per unit per year is ₹4.
The purchase price per unit is ₹40.
(a) Calculate the Economic Order Quantity (EOQ).
(b) Find the number of orders per year and the time between two orders (in weeks).</td><td>07 Marks</td><td>L3</td><td>CO2</td></tr>
<tr><td colspan="5">Or</td></tr>
<tr><td>14.</td><td>The following transaction took place in respect of a material of ABC Ltd.
<table><tr><th>Date</th><th>Receipts (Units)</th><th>Rate (₹)</th><th>Issues (Units)</th></tr><tr><td>02/03/2010</td><td>200</td><td>2.00</td><td>-</td></tr><tr><td>10/03/2010</td><td>300</td><td>2.40</td><td>-</td></tr><tr><td>15/03/2010</td><td>-</td><td>-</td><td>250</td></tr><tr><td>18/03/2010</td><td>250</td><td>2.60</td><td>-</td></tr><tr><td>20/03/2010</td><td>-</td><td>-</td><td>300</td></tr></table>Prepare a Stock register as per Simple Average Method.</td><td>07 Marks</td><td>L4</td><td>CO2</td></tr>
<tr><td>15.</td><td>Discuss the various methods of sampling used in business research.</td><td>07 Marks</td><td>L3</td><td>CO3</td></tr>
<tr><td colspan="5">Or</td></tr>
<tr><td>16.</td><td>Consider the following data and corresponding weights.
<table><tr><th>X_i</th><th>Weight (W_i)</th></tr><tr><td>3.2</td><td>8</td></tr><tr><td>2.0</td><td>4</td></tr><tr><td>2.5</td><td>3</td></tr><tr><td>5.0</td><td>5</td></tr></table>a. Compute the weighted mean.
b. Compute the sample mean of the four data values without weighting. Note the difference in the results provided by the two computations.</td><td>07 Marks</td><td>L3</td><td>CO3</td></tr>
<tr><td>17.</td><td>A project costs ₹5,00,000 and has a life of 8years. It generates annual cash inflows of ₹50,000 and has an estimated salvage value of ₹20,000 at the end of its life.
The required rate of return is 12%.
Compute Net Present Value (NPV) of the project.</td><td>07 Marks</td><td>L4</td><td>CO4</td></tr>
<tr><td colspan="5">Or</td></tr>
</table>

18.	Jain Ltd. wants to prepare a Cash Budget for the months of June, July and August 2026. The following information is available: **Particulars** | **June (₹)** | **July (₹)** | **August (₹)** Estimated Sales | 1,00,000 | 1,20,000 | 1,40,000 Estimated Purchases | 60,000 | 70,000 | 80,000 Estimated Wages | 10,000 | 10,000 | 10,000 Estimated Rent | 5,000 | 5,000 | 5,000 Additional Information: 1. 50% of sales are for cash, and the remaining 50% are on one month's credit. 2. Creditors are paid in the month following the purchase. 3. A new equipment costing ₹20,000 will be purchased in July. Prepare a Cash Budget for the months of June to August 2026.	**07 Marks**	**L3**	**CO4**
19.	From the following data, compute: • Material Cost Variance • Material Price Variance • Material Usage Variance **Particulars** | **Standard** | **Actual** **Quantity (kg)** | 600 | 620 **Price per kg (₹)** | 10 | 9	**07 Marks**	**L3**	**CO5**
	Or			
20.	Calculate Gross Profit Ratio, Net Profit Ratio, and Return on Capital Employed (ROCE) from the following information, and interpret the results. **Particulars** | **Amount (₹)** Sales | 100000 Cost of Goods Sold | 70000 Operating Expenses | 15000 Interest | 5000 Capital Employed | 50000 Net Profit before Interest and Tax | 15000	**07 Marks**	**L3**	**CO5**

Part C

Answer any three Questions. Each question carries 15marks **3Q x 15M=45M**

21.	Explain the role and purpose of Cost and Management Accounting in modern business.	**15 Marks**	**L1**	**CO1**
22.	Discuss the classification of costs according to their function and behavior.	**15 Marks**	**L1**	**CO2**

23.	The following data represent the monthly sales (in ₹'000) of a company for one year: Using the 3-month moving average method, calculate the seasonal variations for each month and comment briefly on the trend in sales.	**15 Marks**	**L3**	**CO3**

Month	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
Sales (Rs. 000)	125	145	186	131	151	192
Month	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Sales (Rs. 000)	137	157	198	143	163	204

24.	The following information is provided by M/s. Sunrise Traders to prepare a Cash Budget for the months of April, May, and June 2024: **Additional information:** • Sales at 10% realised in the month of sales. Balance is equally realised in two subsequent months. • Purchases: Creditors are paid in the month following the month of supply. • Wages: 20% paid in arrears in the following month. • Sundry expenses paid in the month itself. • Income tax Rs. 20,000 payable in June. • Dividend Rs. 12,000 payable in June. • Income from investments of Rs. 2,000 received half-yearly in March and September. • Cash balance on hand as on 1-4-2024 Rs. 40,000**.**	**15 Marks**	**L3**	**CO4**

Month (2024)	**Sales (₹)**	**Purchases (₹)**	**Wages (₹)**	**Selling Expenses (₹)**
February	1,20,000	80,000	10,000	7,000
March	1,30,000	98,000	12,000	9,000
April	70,000	1,00,000	8,000	5,000
May	1,16,000	1,03,000	10,000	10,000
June	85,000	80,000	8,000	6,000

25.	The following information relates to the manufacture of a product: Actual Output: 1,000 kg Calculate: 1. Total Material Cost Variance 2. Material Price Variance 3. Material Usage (Quantity) Variance 4. Material Mix Variance 5. Material Yield Variance	**15 Marks**	**L4**	**CO5**

Particulars	**Standard for 10 kg Output**	**Actual for 1000 kg Output**
Material A	8 kg @ ₹6 per kg	750 kg @ ₹7 per kg
Material B	4 kg @ ₹4 per kg	50 kg @ ₹5 per kg