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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF LAW  
END TERM EXAMINATION - JUN 2023**

**Semester :** Semester II - 2022

**Course Code :** BCL2010

**Course Name :** Sem II - BCL2010 - Management Accounting

**Program :** BCL

**Date :** 19-JUN-2023

**Time :** 1.00PM - 4.00PM

**Max Marks :** 100

**Weightage :** 50%

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**Instructions:**

- (i) *Read all questions carefully and answer accordingly.*
  - (ii) *Scientific and non-programmable calculator are permitted.*
  - (iii) *Do not write any information on the question paper other than Roll Number.*
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**ANSWER ALL THE QUESTIONS**

**(10 X 10 = 100M)**

1. Costing is any system for assigning costs to an element of a business. Costing is typically used to develop costs for customers, distribution channels, employees, geographic regions, products, product lines, processes, subsidiaries, and entire companies. Explain standard costing by stating its advantages and disadvantages?  
(CO4) [Comprehension]
2. A break-even analysis is a financial calculation that weighs the costs of a new business, service or product against the unit sell price to determine the point at which you will break even. In other words, it reveals the point at which you will have sold enough units to cover all of your costs. At that point, you will have neither lost money nor made a profit. Explain when to use break even analysis.  
(CO5) [Application]
3. If Mr X, the manager of a unit, plans the budget of his department, he is responsible for keeping the budget under control. Mr X will have all the required information about the cost of his department. In case, if the expenditure is more than the allocated budget than Mr X will try to find the error and take necessary action and measures to correct it. Mr X will be personally accountable for the performance of his unit. Explain responsibility accounting and steps involved in responsibility accounting?  
(CO5) [Application]
4. The accounting data is presented in a meaningful way by calculating ratios and projecting trends. This information is then analysed for planning and decision-making. For example, you can categorise purchase of different items period-wise, supplier-wise and territory wise. Explain types of management accounting?  
(CO3) [Comprehension]

5. Standard Cost of Product AB manufactured by Ram International is furnished below:

Material (5 units @ Rs 4 each)      Rs 20

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Labour (20 hours @ Rs 1.50 per hour)      Rs 30

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Overhead expense      Rs 10

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**Total Product Cost      Rs 60**

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Actual Units produced were 8000 units and Actual Cost is as follows:

Material ( 40500 units @ Rs 5 each)      Rs 202500

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Labour ( 150000 hours @ Rs 1.60 per hour)      Rs 240000

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Overhead expense      Rs 90000

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**Total Cost      Rs 532500**

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Based on the above illustration let's do the Variance Analysis for each component of Cost.

(CO4) [Application]

6. At the time of preparing the budget, the production manager will consider the physical facilities like plant, power, factory space, materials and labour, available for the period. Production budget envisages the production program for achieving the sales target. Explain the different types of budget.

(CO3) [Comprehension]

7. The cost managing executives plan and set targets to ensure proper cost control. Then, they communicate the same to the higher authorities or the relevant divisions of the companies for implementation. Finally, businesses evaluate the plan for the performance. Explain cost control by reflecting its characteristics.

(CO1) [Comprehension]

8. A managerial accounting system is more suitable for bigger enterprises which are at the peak of growth. This is possible because the company can afford the price of installing a system in place and even hire professionals to make the best of it to prevent the company from future meltdowns. Differentiate between management accounting and financial accounting.

(CO2) [Comprehension]

9. Managerial accounting is used for planning, decision-making, and controlling. These are the three pillars of the field. By considering the above sentence, explain the techniques of managerial accounting.

(CO1) [Comprehension]

10. Budgetary control is inevitable for policy formulation, planning, controlling and coordination. it is helpful in setting targets for the whole concern and achivemnet of the targets. by considering the statement, Discuss the pro's and con's of budgetary control.

(CO2) [Comprehension]