





PAPER ID-310463

Roll No:

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 Subject Code

**MBA-INT**  
**(SEM V) THEORY EXAMINATION 2023-24**  
**COST ACCOUNTING**

TIME: 3 HRS

MARKS

5. Attempt any one part of the following:

a. Discuss the concept and applications Differential and Incremental costing. 10      3

b. ABC Ltd. working at 90% of its capacity and producing 13,500 units per year. It operates a flexible budgetary control system. The following figures are obtained from its budget: 10      3

	90% (Rs.)	100% (Rs.)
Sales	15,00,000	16,00,000
Fixed exp	3,00,500	3,00,500
Semi-fixed exp	97,500	1,00,500
Variable exp.	1,45,000	1,49,500
Units made	13,500	15,000

Labor and material cost per unit are constant under present conditions. Profit margin is 10 per cent.

- (a) Determine the differential cost of producing 1,500 units by increasing capacity to 100 per cent.
- (b) What would be recommended for an export price for these 1,500 units taking into account that overseas prices are much lower than indigenous prices?

6. Attempt any one part of the following:

a. What is Variance Analysis? Also, explain types of Variances. 10      4

b. The following data shows a company's first week of operations in August 2022: 10      4

**Materials:**

Actual purchased= 1500 units @ 3.80 per units  
Actual usage= 1350 units @ 4.00 per units  
Standard usage= 1020 units @ 4.00 per units

**Direct Labor:**

Actual Hours=310 hours @ 12.10 per hours  
Standard Hours= 340 hours @ 12.00 per hour

Compare the following variances to determine whether they are favorable or unfavorable-

- (a) Material purchase price variance and quantity variance
- (b) Labor rate efficiency variance.

7. Attempt any one part of the following:

a. Explain Life Cycle Costing, Uniform Costing with example. 10      5

b. Discuss Value Chain Analysis for decision making with example. 10      5