

**R19**

Code No: 763AJ

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**

**MBA III Semester Examinations, February - 2025**

**STRATEGIC MANAGEMENT ACCOUNTING**

**Time: 3 Hours**

**Max.Marks:75**

- Note:** i) Question paper consists of Part A, Part B.  
ii) Part A is compulsory, which carries 25 marks. In Part A, Answer all questions.  
iii) In Part B, Answer any one question from each unit. Each question carries 10 marks and may have a, b as sub questions.

**PART - A**

**(25 Marks)**

- 1.a) Distinguish between financial accounting and management accounting. [5]
- b) Illustrate the treatment of abnormal loss in production industries. [5]
- c) Examine the importance of Break-even analysis in various business problems. [5]
- d) Brief on Flexible Budget. [5]
- e) Examine the role of Labor Variance in standard costing. [5]

**PART - B**

**(50 Marks)**

- 2.a) Define and distinguish between cost accounting and management accounting.
  - b) Illustrate the cost concepts and their managerial use. [5+5]
- OR**
3. From the following particulars, calculate the overhead allocable to production Department: P and Q. There are also two service department S1 and S2. S1 renders service worth Rs 6,000 to S2 and the balance to P and Q as 3:2. S2 Renders services to P and Q as 9:1. [10]

Particulars	P	Q	S1	S2
Floor space (sq ft)	2500	2000	500	500
Assets(Rs in lakh)	5	2.5	1.5	0.5
HP of machines	500	250	200	50
No of workers	100	50	50	25
Light and fan points	50	30	20	20

**Expenses and Charges**

Depreciation	95000
Insurance	7600
Canteen expenses	5400
Rent, rates and taxes	18,000
Power	10,000
Electricity	2400

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4. What is meant by normal loss in process costing and how it is different from abnormal loss explain with the entries. [10]

OR

5. Bombay Manufacturing Company submits the following information on 31-3-2019

Particulars	Rupees
Sales for the year	2,75,000
<b>Inventories at the beginning of the year-</b>	
- Raw Materials	3,000
- Work in Progress	4,000
- Finished Goods	1,10,000
Purchase of materials	65,000
Direct Labour	6,000
<b>Inventories at the end of the year -</b>	
- Raw Materials	4,000
- Work in Progress	6,000
- Finished Goods	8,000
<b>Other expenses for the year -</b>	
Selling expenses	27,500
Administrative expenses	13,000
Factory overheads	40,000

Prepare Cost Sheet.

[10]

- 6.a) Explain in detail about the types and techniques for fixation of selling price.  
b) Examine the need for inter-firm comparison and their types in brief. [5+5]

OR

7. X Ltd. Made sales during a certain period for Rs. 1, 00,000. The net profit for the same period was Rs. 10,000 and the fixed overheads were Rs. 15,000.

Find out:

- a) P/V Ratio.  
b) Required sales to earn a profit of Rs. 15,000.  
c) Net Profit from sales of Rs. 1, 50,000.  
d) Break – even point sales.

[10]

8. Define budgetary control and explain about the types of budgets with their suitability in business. [10]

OR

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9. Prepare a flexible budget for overheads on the basis of the following data. Ascertain the overhead rates at 60% and 70% capacity. [10]

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<b>Variable overheads:</b>	<b>At 60% capacity (Rs)</b>
Material	6,000
Labour	18,000
Semi-variable overheads:	
Electricity:	30,000
40% Fixed	
60% variable	
Repairs:	
80% fixed	3,000
20% Variable	3,000
Fixed overheads:	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total overheads	93,000
Estimated direct labor hours	1, 86,000

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10. What is meant by Standard cost? And explain about the features and uses of standard costing. [10]

**OR**

11. A group of workers normally consists of 30 men, 15 women and 10 boys. They are paid at standard hourly rates as under :  
Men Rs. 0.80 ; Women Rs. 0.60 ; Boys Rs. 0.40.

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In a normal working week of 40 hours, the group is expected to produce 2,000 units of output. During the week ended 31<sup>st</sup> December, 2015 the gang consisted of 40 men, 10 women and 5 boys. The actual wages paid were @ Rs. 0.70, Rs. 0.65 and Rs.0.30 respectively. 4 hours per worker were lost due to abnormal idle time and 1,600 units were produced.

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Calculate all labor variances. [10]

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