

Code No:763AJ

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
MBA III Semester Examinations, February - 2024
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) What is cost centre and brief on managerial use of cost classification? [5]
- b) What is equivalent production, how is it calculated? [5]
- c) What is the significance of key factor? [5]
- d) What is zero-based budget, how it is useful? [5]
- e) Distinguish between estimated cost and standard cost. [5]

PART - B

(50 Marks)

- 2.a) "While variable costs are controllable, fixed costs are not" comment with examples.
- b) Describe the cost concepts with suitable examples. [5+5]

OR

- 3.a) Explain how to rectify under and over absorption of overheads, with examples.
- b) Examine the relationship between financial accounting and cost accounting. [5+5]

- 4.a) Details of expenses of air conditioners manufacturing unit in a week are given below:
 Materials Rs.30 Lakh, Labour Rs.20 Lakh, Factory overheads Rs.15 Lakh and Administrative overheads Rs.20 Lakh. Based on these details, quote price for getting profit of 15% on selling price of an air-conditioner, which needs Rs.40,000/- for materials and Rs.50,000/- for labour.

- b) Describe the treatment of abnormal losses. [6+4]

OR

5. In manufacturing main product X, a firm proposes the resulting waste material into two by-products A, B.

Using reverse cost method of byproducts, prepare comparative profit and loss statement of three products from the following data.

Total cost upto separation point : Rs.70,000/-

[10]

	X (Rs.)	A (Rs.)	B (Rs.)
Sales (all production)	1,70,000/-	20,000/-	30,000/-
Cost after separation	-	5,000/-	7,000/-
Estimate Net Profit (Percentage to Sales Value)	-	20%	30%
Estimated selling expenses (Percentage of Sales Value)	20%	20%	20%

6.a) Find out i) Break even volume, ii) Break even sales units from the the following data.

Sales	-	10,000 Units
Variable cost	-	Rs.1,00,000/-
Sales Value	-	Rs.2,00,000/-
Fixed Cost	-	Rs.40,000/-
Selling price per unit	-	Rs.20/-

b) Work out variable cost per unit, profit from the following data

Fixed Cost	-	Rs.8,000/-
Break even Units	-	4,000
Sales Units	-	6,000
Selling price per unit	-	Rs.10/-

[5+5]

OR

7.a) Calculate P/V ratio, break even sales volume, margin of safety and profit from the following :

Sales – Rs.40,000/-, Variable Cost – Rs.20,000/-, Fixed Cost – Rs.16,000/-

b) Calculate break-even point from the following :

[5+5]

Sales	-	Rs.3,00,000/-
Direct Materials	-	Rs.1,00,000/-
Direct Labour	-	Rs.60,000/-
Direct Expenses	-	Rs.40,000/-
Fixed Expenses	-	Rs.75,000/-

8. With the following data for 60% activity (600 units), prepare flexible budget for production at 80%, 100% activity.

[10]

Material	Rs.1,000/- per unit
Labour	Rs.400/- per unit
Expenses	Rs.100/- per unit
Factory Expenses	Rs.4 Lakh (40% fixed)
Administrative Expenses	Rs.3 Lakh (60% fixed)

OR

9.a) How budgetary control is implemented in the manufacturing unit.

b) Brief on different types of budgets.

[5+5]

10. Calculate variances relating to material from the following data:

[10]

Standard Material for 70 Kg. finished product	100 Kg.
Standard price of material	Rs.100/- per Kg.
Actual Output	2 Lakh Kgs.
Material used	2.80 Lakh Kgs.
Cost of materials purchased	Rs.2.24 Crore

OR

11. Explain following with examples.

a) Material mix variance.

b) Labour efficiency variance.

c) Profit variance.

[4+3+3]

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