

B.B.A Sem-6 Examination C.No 3749

Management & Cost A/C - 2 P.NO.603

Oct/Nov - 2016

(Time-2 ½ hours)

(Total Marks-70)

1. Write a note on relevant revenues and Explain cost behavior in detail. **14**

OR

1. Define cost and explain different types of cost which is useful in decision making. **14**

2. Discuss in detail pricing decision and its effect on cost management? Explain different pricing method which influence cost decision. **14**

OR

2. Explain in detail benefits of departmentalization, cost allocation & revenues. **14**

3. Explain cost allocation along with example. **14**

OR

3. From the following particulars compute machine hour rate (including shop expenses) **14**

Particulars	Details
Name of equipment	Mobile 'Nokia' No. 22- 5tonnes-12 feet sweep
Date of purchase	1-4-2015
Make	Lift and load Crop
Cost	Rs.25,000
Power	Diesel 10 H.P. engine
Estimated life	10 years
Depreciation	15% p.a on original cost
Insurance	Rs.100p.a.
Repairs	Rs.600p.a
Consumable stores	Rs.300p.a
Rent	Rs.750p.a
Superintendence – 1/5 th for the machine	Rs.1,300p.a

Assume that crane can work 200 hours in a month and had actually worked for 80% of the normal working hours.

Cost of diesel oil etc. per hour is Rs.1.50

4. What is meant by 'Standard costing?' Explain in detail with material and labor variances. 14

OR

4. Find out Variances from the following Data: 14

Standard cost per Unit:

Material: 5kg Rs. 50

Wage cost: 20 Hours Rs.10

For actual production of 500 units, 2.7 metric tons of materials costing Rs.25,650 was used and wages of Rs.6050 for 11,000 hours were paid, which includes 20 Hours of idle time due to machine breakdown.

5. Explain transfer pricing with its methods. 14

OR

5. The production of G co. passes through three processes. 4,000 Units were introduced in Process – 1 at Rs.6. The following information is available: 14

Particulars	Process -1	Process – 2	Process – 3
Raw materials	20,800	15,840	27,120
Wages Rs.	18,000	28,000	40,000
Production overhead	14,000	20,000	32,000
Actual output in units	3,800	3,360	3,000
Normal Wastages (% of input)	5%	10%	15%
Sale value of wastage per Unit	Rs.4	Rs.8	Rs.10

Prepare Process A/c and Abnormal Loss & Gain A/c