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Printed Page:-4 **Subject Code:- AMIBA0502**

Roll. No:

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA
(An Autonomous Institute Affiliated to AKTU, Lucknow)
MBA (Integrated)
SEM: V - THEORY EXAMINATION (2025 - 2026)
Subject: Cost & Management Accounting

Time: 2.5 Hours **Max. Marks: 60**

General Instructions:

IMP: *Verify that you have received the question paper with the correct course, code, branch etc.*

1. This Question paper comprises of three Sections -A, B, & C. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION-A 15

1. Attempt all parts:-

1-a. Absorption costing includes _____ type of cost. (CO1, K1) 1

(a) Only variable costs
(b) All costs
(c) Only direct costs
(d) Only fixed costs

1-b. Standard costing is primarily used to: (CO2, K1) 1

(a) Determine actual costs
(b) Control costs
(c) Increase fixed costs
(d) Calculate sales price

1-c. The main purpose of a budget is to: (CO3,K2) 1

(a) Increase costs
(b) Plan and control finances
(c) Reduce taxes
(d) Track only fixed costs

1-d. In job costing, costs are assigned to: (CO4, K1) 1

(a) Each specific job
(b) Each batch
(c) The total production
(d) The entire factory

1-e. Process costing is most suitable for industries where production is: (CO5, K2) 1

(a) Continuous and homogeneous
(b) Based on specific jobs
(c) Custom-made
(d) Intermittent

2. Attempt all parts:-

2.a.	List two advantages of marginal costing.(CO1,K1)	2
2.b.	Define variance analysis. (CO2, K2)	2
2.c.	Define budgetary control. (CO3, K1)	2
2.d.	A job requires direct materials costing $2,000, direct labor costing $1,500, and factory overheads applied at 120% of direct labor. Find the total job cost. (CO4, K3)	2
2.e.	A cleaning service company has incurred $5,000 in direct labor costs and $2,000 in overheads for 400 cleaning sessions. Calculate the cost per cleaning session. (CO5, K3)	2

SECTION-B 15

3. Answer any three of the following:-

3-a.	A business wants to achieve a target profit of $50,000. The fixed costs are $90,000, the selling price per unit is $30, and the variable cost per unit is $20. (CO1, K3) 1. Calculate the contribution margin per unit. 2. Determine the number of units the company needs to sell to reach its target profit.	5
3-b.	Differentiate between controllable and uncontrollable variances, and provide examples of each in a manufacturing context. (CO2, K4)	5
3.c.	Define budgetary control and explain its purpose in an organization also explain its role in achieving the financial objectives of a business. (CO3, K2)	5
3.d.	For Job C101, the company incurred the following costs: (CO4, K3) Direct Materials: $4,000 Direct Labor: $3,500 Factory Overhead: 75% of direct labor cost. The company charges a price of $12,000 for Job C101. Tasks: 1. Calculate the total cost of the job. 2. Determine the profit earned on the job.	5
3.e.	Illustrate how to compute cost per unit of service for a transport company, including both fixed and variable costs. (CO5, K3)	5

SECTION-C 30

4. Answer any one of the following:-

4-a.	Explain how a business can use cost-volume-profit analysis for forecasting and budgeting purposes. What factors must be considered? (CO1,K2)	6
4-b.	Illustrate the calculation and interpretation of contribution per unit, using examples. How can this metric aid in decision-making?(CO1,K3)	6

5. Answer any one of the following:-

5-a.	In a manufacturing plant operating three shifts, the standard labor time is 2 hours per unit at a rate of $18 per hour. During the month, 4,000 units were produced with an actual labor cost of $145,000 over 8,500 hours.	6

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1. Compute the labor rate, efficiency, and cost variances.
2. Analyze the variances with respect to shifts and provide recommendations for improving labor efficiency. (CO2,K5)

5-b. Discuss the advantages and disadvantages of using historical data versus industry benchmarks when setting standard costs. (CO2, K2) 6

6. Answer any one of the following:-

6-a. Analyze the role of flexible budgets in performance evaluation. Discuss how a flexible budget allows for more accurate comparisons between actual performance and budgeted performance. (CO3, K4) 6

6-b. A company manufactures a product with the following budgeted costs:(CO3, K3) 6
Fixed Costs: $50,000 per month
Variable Cost: $20 per unit
The company originally planned to produce 2,000 units in a month. However, the actual production was 2,500 units. The actual costs incurred were:
Total Fixed Costs: $50,000
Total Variable Costs: $60,000
Tasks:
Prepare a flexible budget for the production of 2,500 units.

7. Answer any one of the following:-

7-a. A company produces two batches: Batch A (100 units) and Batch B (300 units). The costs are as follows: 6

Particulars	Batch A	Batch B
Direct Materials ($)	2,000	4,500
Direct Labor ($)	1,000	2,000
Factory Overhead ($)	1,500	3,000
Setup Costs ($)	500	1,000

Tasks:

Calculate the total cost and cost per unit for each batch.
Compare the cost per unit between the two batches and explain the effect of economies of scale. (CO4,K4)

7-b. Describe how batch costing is applied in industries like food production, pharmaceuticals, or textiles. Use examples to illustrate its relevance. (CO4, K3) 6

8. Answer any one of the following:-

8-a. LMN Ltd. produces a product in two stages: Processing and Finishing. The following data relates to the Processing department for the month of May: 6

Units started: 12,000
Units completed and transferred: 9,000
Units in process: 3,000 (40% complete for materials, 20% complete for labor and overhead)

The costs incurred in the Processing department are:

Material cost: $18,000
Labor cost: $7,000

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Factory overhead: $5,000

Tasks:

Calculate the equivalent units for materials, labor, and overhead in the Processing department.
Calculate the cost per equivalent unit for each type of cost.
Determine the total cost of the 9,000 units transferred to the next department and the cost of the 3,000 units still in process. (CO5,K5)

8-b. Explain how service costing is applied in public utility services such as electricity or water supply, with a suitable cost sheet. (CO5, K2) 6