

Indian Maritime University
(A Central University, Govt of India)
End Semester Examinations – December 2025
Programme Name: BBA [ML]
Semester: I

Subject Code: UG32T2104

Subject Name: MANAGERIAL ACCOUNTING

Date: 12.12.2025

Max Marks: 70

Duration: 03 Hrs

Pass Marks: 35

General Instructions

- (i) All Sections (A, B & C) are to be attempted.
- (ii) Options, if any, are specified in respective section.

Section A

Ten MCQs/Fill in the Blanks of 01 Mark each – Choose the correct answer as applicable.

1. _____ best describes management accounting?

- a) Recording financial transactions
- b) Preparing tax returns
- c) Providing information for internal decision-making
- d) Auditing financial statements

2. comparative income statement is used to _____

- a) Measure liquidity
- b) Compare performance over time
- c) Measure inventory turnover
- d) Record current liabilities

3. Indirect materials, indirect labour, and indirect expenses are known as:

- a) Direct costs
- b) Variable costs
- c) Overheads
- d) Fixed costs

4. A cost sheet shows _____

- a) Only financial data
- b) Cost per unit and total cost
- c) Budgetary control
- d) Balance of payments

5. Contribution is calculated as _____

- a) Sales - Fixed Cost
- b) Sales + Profit
- c) Fixed Cost - Variable Cost
- d) Sales - Variable Cost

6. _____ decision is best supported by marginal costing?

- a) Dividend policy
- b) Make or buy decision
- c) Capital structure planning
- d) Inventory valuation

7. Zero-based budgeting starts from _____

- a) Previous year's figures
- b) Average of past budgets
- c) Zero base
- d) Historical costs

8. A cash budget helps in _____

- a) Measuring profitability
- b) Planning liquidity requirements
- c) Calculating depreciation
- d) Comparing actual vs. standard cost

9. Material price variance is calculated as _____

- a) $(\text{Standard quantity} \times \text{Standard price}) - (\text{Actual quantity} \times \text{Actual price})$
- b) $(\text{Standard price} - \text{Actual price}) \times \text{Actual quantity}$
- c) $(\text{Standard cost} - \text{Actual cost}) \times \text{Sales quantity}$
- d) $(\text{Actual quantity} - \text{Standard quantity}) \times \text{Standard price}$

10. The main purpose of setting standards is to _____

- a) Maintain financial records
 - b) Prepare cost sheets
 - c) Record actual costs
 - d) Facilitate control and performance evaluation
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Section B

Five Questions of 02 Marks each

11. Write advantages of Management Accounting.
12. What is Break-even Point (BEP)?
13. Discuss the main elements of cost.
14. State two advantages of Budgetary Control.
15. Explain the features Standard Costing.

Section C

Seven Questions of 10 Marks each of which any 05 questions to be answered

16. Explain the meaning, features, objectives, and scope of Management Accounting.
 17. Mr. Ram Gopal provides the following data relating to the manufacturing of a standard product during the month of August, 2025. You are required to prepare Cost Sheet and find Total Sales.
Raw Material consumed Rs. 10,00,000
Direct Labor Charges Rs. 4,00,000
Direct Expenses Rs. 2,00,000
Factory overhead Rs. 1,50,000
Factory supervision Rs. 50,000
Administrative overheads Rs. 2,00,000
Selling overhead Rs. 1,00,000
Cost Profit @25% on Cost of Sale
 18. ISTC Limited, the total number of employees at the beginning of the year was 1,000. By the end of the year, 1,200 employees had left 80, and 120 new employees were hired. Calculate the labour turnover ratios?
 19. Define Marginal Costing and explain its importance and applications.
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20. Define Budgetary Control and explain its process, objectives, advantages, and limitations.

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21. (a) Calculate (1) BEP and (2) Margin of Safety

Sales Rs. 20,00,000

Variable Cost 80%

Fixed Cost Rs. 3,00,000

(b) Given information calculate (1) Current ratio (2) Liquidity ratio

(3) Working capital turnover ratio

Turnover: 9,00,000

Current Assets: 5,00,000

Current Liabilities: 2,00,000

Liquid Assets: 4,00,000

22. (a) Discuss the various types of variances in Material with their significance.

(b) Calculate:

(1) Material Cost Variance (2) Material Price Variance and

(3) Material Usage Variance

Standard Quantity of Material 600 kgs, Standard Price per kg Rs. 20

Actual Quantity of Material 500 kgs, Actual Price per kg Rs. 25

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