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JK LAKSHMIPAT UNIVERSITY, JAIPUR
INSTITUTE OF MANAGEMENT
End Term Examination, May 2026
BBA. (Backlog) 2025-26

Roll No.....

FA1102: Management Accounting

Time: 2 Hours

Max. Marks: 30

Instructions to students:

1. Do not write anything other than your roll number on the question paper.
2. Use of calculator, including scientific calculator, is permitted.

- Q. 1 How does Standard Costing help in business decision-making, and what are its limitations? 4.0 Marks
(CO5)
- Q. 2 "Budgetary Control is an important tool for managerial control." Explain. 4.0 Marks
(CO3,5)
- Q. 3 Explain the process of Budgetary Control in an organization. 4.0 Marks
(CO3)
- Q. 4 Classic Stationery Pvt. Ltd. deals in notebooks and office supplies. During the current period, the company sold 10,000 notebooks and generated total sales revenue of ₹2,00,000. The total variable cost incurred amounted to ₹1,20,000, while fixed costs for the period were ₹50,000. As a part of management, you are required to: 3+3=6.0 Marks
(CO1,3)
- a) Calculate the Break-Even Point (in units).
 - b) Determine the number of units required to be sold to earn a target profit of ₹70,000.
- Q. 5 Sunrise Manufacturing Ltd. manufactures automobile accessories and parts. The following are the total costs of processing 1,00,000 units: 3+3=6.0 Marks
(CO1,4)

Particulars	₹
Direct material cost	5,00,000
Direct labour cost	8,00,000
Variable factory overhead	6,00,000
Fixed factory overhead	5,00,000

The purchase price of the component is ₹22. The fixed overhead would continue to be incurred even when the component is bought from outside, although there would have been reduction to the extent of ₹2,00,000.

- a) Should the part be made or bought considering that the present facility when released following a buying decision would remain idle?
- b) In case the released capacity can be rented out to another manufacturer for ₹1,40,000 having good demand, what should be the decision?

Q. 6 BAB Pharmaceuticals Ltd. manufactures a medical drug by blending two raw materials Material A and Material B. The company follows a standard costing system. 6.0 Marks (CO1,3)

According to the standard mix, to produce 160 kg of medicine, the company requires 100 kg of Material A at a standard price of ₹4 per kg and 80 kg of Material B at a standard price of ₹8 per kg. During a particular month, due to market fluctuations, actual consumption and pricing differed from the standards. The production report shows the following:

Material A: 126 kg used at ₹5 per kg

Material B: 90 kg used at ₹7 per kg

Actual output: 184 kg of finished medicine

Analyze the reasons behind the deviation by calculating:

A. Material Cost Variance

B. Material Price Variance

C. Material Usage Variance

D. Material Mix Variance

E. Material Yield Variance.