

Dr. Babasaheb Ambedkar Open University
Term End Examination July -2026

Course	: Diploma Course	Date	: 08/07/2026
Subject Code	: DACA-03	Time	: 11:30am to 01:45pm
Subject Name	: Managerial Cost Accounting	Duration	: 02.15 Hours
		Max. Marks	: 70

Q-1 From the following information, prepare a monthly cash budget for Ratnajog Ltd. for 3 months ending 31st March: **14**

- (i) Revenue is expected to be Rs. 90,000, Rs. 92,000 and Rs. 90,000 in the three months.
- (ii) Purchase for December, January, February and March are likely to be Rs. 80,000, Rs. 60,000, Rs. 65,000 and Rs. 70,000 respectively, 40 percent is paid in next month.
- (iii) Rent per month is Rs. 4,000 and personal withdrawal Rs. 6,000.
- (iv) Rs. 35,000 is expected to be outflows towards purchase of a vehicle in the month of March.
- (v) Cash expenses are Rs. 14,000 for each month.
- (vi) The present cash balance is Rs. 15,000.

OR

Describe the meaning of responsibility and objectives for creating responsibility centers.

Q-2 Journalise the following transactions assuming that cost and financial accounts are integrated in case of Sharp Ltd.: **14**

- Raw materials purchased — Rs. 40,000
- Direct materials issued to production — 30,000
- Wages paid (30% indirect) — 24,000
- Wages charged to production — 16,800
- Manufacturing expenses incurred — Rs. 19,000
- Manufacturing overhead charged to production — 18,400
- Selling and distribution cost — 4,000
- Finished products (at cost) — 40,000
- Sales — 58,000
- Closing stock — Nil
- Receipts from debtors — 13,800
- Payment to creditors — 22,000

OR

(A) The following data are obtained from the records of kartik Ltd:

	First year	Second Year
Sales	Rs. 80,000	Rs. 90,000
Profit	Rs. 10,000	Rs. 14,000

Calculate the break-even point.

(B) Shanti Ltd. has fixed expenses of Rs. 90,000 with sales at Rs. 1,00,000 and a profit of Rs. 60,000. Calculate the profit/volume ratio. If in the next period, the company suffered a loss of Rs. 30,000 calculate at sales volume.

(C) The following are the particulars of a business unit of Srimati Ltd:

Sales	Profit
Rs. 1,00,000	Rs. 10,000
Rs. 1,20,000	Rs. 14,000

Work out the following answers from the above details:

1. Profit-Volume Ratio
2. Figures of profit when sales are of Rs. 90,000 and Rs. 40,000
3. Figure of sales to earn profit of Rs. 20,000
4. Fixed costs.
5. Break even points

Q-3 What is the Make or Buy Decision? Explain in Detail. **14**

OR

How many types of Budgets? Explain it.

Q-4 Write about the Meaning & Objectives of Responsibility Accounting. **14**

OR

Describe the Purposes for which budgeting be done?

Q-5 (A) Short notes (Any three) **09**

1. Advantages and Disadvantages of Uniform Costing
2. Margin of safety
3. Opportunity Costs & Sunk Cost
4. Profit Centres of Responsibility
5. Budgetary Control

(B) Choose the correct option for the questions given below and write the answer. **05**

1. Inter-firm comparison is useful for:
(A) Tax calculation (B) Comparing the efficiency of firms
(C) Wage payment (D) Stock valuation
2. Integrated accounts combine:
(A) Personal and Real accounts (B) Cost and Financial accounts
(C) Trading and P&L accounts (D) Cash and Bank accounts
3. CVP stands for:
(A) Cost Volume Profit (B) Cost Value Process
(C) Capital Volume Profit (D) Cost Variable Price
4. Relevant cost means:
(A) Historical cost (B) Future cost affecting decision
(C) Fixed cost (D) Sunk cost
5. Cost centre manager is responsible for:
(A) Revenue only (B) Costs only (C) Investment only (D) Sales only
