

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI  
(END SEMESTER EXAMINATION)**

**CLASS: MBA  
BRANCH: MBA**

**SEMESTER: II  
SESSION: SP/19**

**SUBJECT: MT415 COST MANAGEMENT**

**TIME: 3 Hours**

**FULL MARKS: 50**

**INSTRUCTIONS:**

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
  2. Attempt all questions.
  3. The missing data, if any, may be assumed suitably.
  4. Before attempting the question paper, be sure that you have got the correct question paper.
  5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.
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- Q.1(a) Discuss the relevance of cost accounting and differentiate it from financial and management accounting. [5]
- Q.1(b) Explain the relevance of the ABC method of inventory control for more effective management of inventory. [5]
- Q.2(a) Differentiate between a piece rate and time rate method of remuneration. Explain the pre-requisites of a good incentive plan. [5]
- Q.2(b) Calculate the earnings of a worker under (i) Halsey Premium Plan and (ii) Rowan Plan from the following particulars: a) Hourly rate of wages guaranteed 0.50 paise per hour. b) Standard time for producing one dozen articles = 3 hours. c) Actual time taken by the worker to produce 20 dozen articles =48 hours. [5]
- Q.3(a) How would one distinguish between process costing and job order costing methods? [5]
- Q.3(b) Discuss the relevance of Internal process profits in decision making. [5]
- Q.4(a) Explain significance of the break even analysis as a tool for undertaking business decisions. What are its limitations. [5]
- Q.4(b) X Ltd. produces a single article. Following cost data is given about its product:- [5]  
Selling price per unit = Rs.40 Variable cost per unit =Rs.24 Fixed cost per annum=Rs. 16000  
Calculate: (i)P/V ratio (ii) break even sales in units and rupee value (iii) sales to earn a profit of Rs. 2,000
- Q.5(a) Discuss the meaning of a standard cost. What are the advantages and disadvantages of standard costing? [5]
- Q.5(b) For making 10 kg. of yarn, the standard material requirement rates are:: [5]  
Material Quantity= 8 kg Rate per kg. =Rs. 6.00.  
In March, 1,000 kg. of yarn was produced. The actual consumption of materials is as under:  
Material Quantity =750kg Rate per kg. = Rs. 7.00  
Calculate: (a) Material Usage Variance (b) Material Price Variance (c) Material Cost Variance

:::::07/05/2019 M:::::