

Daffodil International University (DIU)
Faculty of Business and Entrepreneurship
Department of Business Administration
Program: BBA

Semester: **Fall-2025**

Time: **2 Hours**

Course Code: **0411-314**

Section: All

Examination: **Final**

Full Marks: **40**

Course Title: **Management Accounting**

Teacher's Name: DAR/SK/MMA/FAH

(Answer all questions)

1. (a) Explain the term break-even with an example.

(b) A company has a single product whose selling price is Tk.24 and variable cost is Tk.18 per unit. The company monthly fixed expenses are Tk.12,000.

Required:

1. Solve for the company's break-even point in unit sales using the equation method.
2. Solve for the company's break-even point in sales taka using the equation method and the CM ratio.
3. Solve for the company's break-even point in unit sales using the contribution margin method.
4. Solve for the company's break-even point in sales taka using the contribution margin method and the CM ratio

[CLO-3: L-3] 2+2+2+2+2 = 10 marks

2. (a) Identify the reasons for Material Price variance.

(b) From the following information of Shovon Com. Ltd. calculate the variances:

- | | | |
|------------------------|-------------------------|------------------------|
| a) Labor Cost Variance | b. Rate of Pay Variance | c. Efficiency Variance |
| d. Mix Variance | e. Yield Variance | f. Idle time variance |

Standard Labor Cost of 100 Units:

Skilled Worker 720 hours @ Tk.3 = 2,160

Unskilled Worker 630 hours @ Tk.2 = 1,260

<u>1,350</u>	<u>3,420</u>
--------------	--------------

Actual Labor Cost of 100 Units:

Skilled Worker 650 hours @ Tk.3.5 = 2,275

Unskilled Worker 1,000 hours @ Tk.1. = 1,000

<u>1,650</u>	<u>3,275</u>
--------------	--------------

Abnormal idle time of 30 hours for both skilled and unskilled workers

[CLO-3: L-3] 2 + 8 = 10 marks

3. Khan Corporation supplies you with the following information for the year of 2025:

Direct material consumed	Tk.3,20,000
Direct labor	2,50,000
Variable manufacturing overhead	1,30,000
Fixed manufacturing overhead	2,20,000

Administrative & selling overhead (variable)	30,000
Administrative & selling overhead (fixed)	50,000
Sales @ Tk.50 per unit	10,00,000

There was no opening inventory of work-in-process or finished goods. However, 22,000 units were produced during the year.

Required:

- (i) You are required to prepare an income statement under the following methods
 (a) Absorption costing and (b) Direct costing.

[CLO-4: L-3] 5 + 5 = 10 marks

4. (a) Discuss the difference between standard and budget.

(b) ABC Manufacturing Company is preparing its manufacturing overhead budget for the upcoming year. The budgeted direct labor hours for each quarter are as follows:

Quarter	1st	2nd	3rd	4th
Budgeted Direct Labor Hours	12,000	10,500	11,500	12,500

The company's variable manufacturing overhead rate is Tk. 5.25 per direct labor hour. The fixed manufacturing overhead per quarter is estimated at Tk. 75,000. Depreciation is included in fixed overhead at Tk. 25,000 per quarter.

Additionally, the company applies overhead using a predetermined overhead rate, based on direct labor hours.

Required:

- (a) Prepare the manufacturing overhead budget for the year.
 (b) Determine the company's overhead rate per direct labor hour for the year.
 (c) Compute the total cost of overhead applied if actual direct labor hours for the year were 47,000 hours instead of the budgeted amount.
 (d) Calculate the overhead variance and determine whether it is over-applied or under-applied overhead.

[CLO-4: L-5] 2+ 2 + 2 + 2 + 2 = 10 marks