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

Semester: **Spring-2026**	Examination: **Final**
Time: **2** Hours	Full Marks: **40**
Course Code: **0411-314**	Course Title: **Management Accounting**
Section: All	Teacher's Name: DAR/DS

(Answer all questions)

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

(b) Khan companion's contribution format income statement for the most recent year is given below for the year ended December, 2025:

	Total	Per unit	% of Sales
Sales (10,000 Units)	Tk.5,00,000	50	100
Variable expenses	3,00,000	30	?
Contribution margin	2,00,000	20	?
Fixed expenses	1,70,000		
Net operating income	30,000		

Management is anxious to increase the company's profit and has asked for an analysis of a number of items.

Required:

I. Compute the company's CM ratio and variable expenses ratio.
II. Compute the company's break-even point in both units and sales taka.
III. Assume that sales increase by Tk.1,00,000 next year. If cost behavior patterns remain unchanged, by how much will the company's net operating income increase? Use the CM ratio to compute your answer.
IV. Assume that next year management wants the company to earn a profit of at least Tk.50,000. How many units will have to be sold to meet this target profit?

[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
	1,350		3,420

Actual Labor Cost of 100 Units:

Skilled Worker	650 hours	@ Tk.3.5	= 2,275
Unskilled Worker	950 hours	@ Tk.1.0	= 950
	1,600		3,225

Abnormal idle time of 20 hours for both skilled and unskilled workers

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

3. Aziz Manufacturing Company manufactures and sells a single product. The following costs were incurred during the company's first year of productions-2025:

Variable cost per unit:

Direct materials	Tk.10.00
Direct labor	Tk.8.00
Variable manufacturing overhead	Tk.5.00
Variable selling and administrative	Tk.4.00

Fixed costs per year:

Fixed manufacturing overhead	Tk.2,50,000
Fixed selling and administrative	Tk.1,00,000

During the year, the company produced 30,000 units and sold 25,000 units. The selling price of the company's product isTk.50 Per unit.

Required:

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. The following information at 50% capacity is given. **Prepare a flexible budget and forecast** the profit or loss at 60%, 75%, and 85% capacity of Kajol Manufacturing company-2025.

Fixed Expenses:

Salaries	Tk.50,000
Rent and Taxes	Tk.40,000
Depreciation	Tk.60,000
Administrative Exp.	Tk.30,000

Variable Expenses:

Materials	Tk.2,25,000
Labor	Tk.2,50,000
Others	Tk.35,000

Semi-Variable:

Repairs	Tk.1,25,000
Indirect labor	Tk.1,50,000
Others	Tk.90,000

It is estimated that fixed expenses will remain constant at all capacities. Semi-variable expenses will not change between 45% and 60% capacity, will rise by 10% between 60% and 75% capacity, a further increase of 5% when capacity crosses 75%.

Estimated sales at various level of capacity are:

60% = Tk.11,00,000, 75% = Tk.13,00,000 and 85% = Tk.15,00,000/-

[CLO-4: L-5] **10 = 10 marks**