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

Semester: **Spring-2026** Examination: **Mid-term**
Time: **1.5** Hours Full Marks: **25**
Course Code: **0411-303** Course Title: **Management Accounting**
Section: All Teacher's Name: DAR/Sarwar

(Answer all questions)

1. (a) Identify the key differences between financial and management accounting.

(b) "A variable cost is a cost that varies per unit of product, whereas a fixed cost is constant per unit of product." Do you agree? Explain.

[CLO-1: L-2] **4 + 3 = 7 marks**

2. Information relating to sales and maintenance cost for six months in Padma Corporation is given below:

Month	Sales (Units)	Maintenance cost (Taka)
January	60	270
February	90	330
March	70	290
April	100	350
May	110	370
June	50	250

Required:

a. Ascertain variable cost per unit and total fixed cost under the Least-squares Method.

b. Express fixed and variable cost in the formula of Y= a + bX

c. What would be the maintenance cost for 80 units of sales in July?

[CLO-2: L-3] **4 + 2 + 2 = 8 marks**

3. Selected account balances for the year ended December-31, are provided below for a company:

Advertising expense………....	Tk. 80,000
Insurance, factory equipment ……………	Tk. 8,000
Rent, factory building………………………	Tk.1,20,000
Utilities, factory ……………………………	Tk. 45,000
Sales commissions …………………………	Tk. 50,000
Cleaning supplies, factory …………………	Tk. 7,000
Selling and administrative salaries ………..	Tk.1,10,000
Maintenance, factory …………………………	Tk. 30,000
Direct labor …………………………………	Tk. ?
Purchases of raw materials ………… ……...	Tk.2,90,000
Indirect labor	Tk. 60,000

Inventory balances at the beginning and end of the year were as follows:

	Beginning of Year	End of year
Raw materials ……………Tk.	40,000	Tk.10,000
Work in process …………Tk.	?	Tk.35,000
Finished goods……………Tk.	50,000	Tk. ?

The total manufacturing costs for the year were Tk.7,10,000; the total cost of goods manufactured Tk.7,35,000; the goods available for sale totaled Tk.7,50,000; and the cost of goods sold totaled Tk.7,20,000.

Required:

1. Prepare a schedule of cost of goods manufactured and the cost of goods sold section of the company's income statement for the year.
2. Assume that the amounts given above are for the equivalent of 40,000 units produced during the year. Compute the average cost per unit for direct materials used, and for rent on the factory building.
3. Assume that in the following year the company expects to produce 50,000 units. What average cost per unit and total cost would you expect to be incurred for direct materials? For rent on the factory building?

[CLO-2: L-3] **5 + 2.5+2.5 = 10 marks**