



SOUTH EASTERN KENYA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT AND ENTREPRENEURSHIP

AME 204: FINANCIAL AND MANAGEMENT ACCOUNTING

DATE: 13TH DECEMBER, 2017

TIME: 10.30 -1.30 PM

Instructions: Answer ALL questions in Section I and any TWO questions in Section II

Section I: Compulsory (30 Marks)

1. Define the following terms
 - i. Cost object (2 Marks)
 - ii. Cost driver (2 Marks)
 - iii. budgetary control (2 Marks)
2. Explain why product costs are computed in different ways for different purposes (6 Marks)
3. Explain the advantages and limitations of standard costing (6 Marks)
4. Explain the nature and purpose of zero-base budgeting (6 Marks)
5. Briefly explain the role of management accounting in any business (6 Marks)

Section II: Answer any TWO questions (40 Marks)

6. a) What are the various circumstances under which material price and usage variances are likely to arise? (10 Marks)
b) Briefly explain how direct materials price and usage variances are calculated in farm (10 Marks)
7. a) Briefly explain the elements and limitations of cost-volume-profit (10 Marks)
b) Discuss the utility of determining cost-volume-profit relationship? (10 Marks)
8. a) Sketch and explain the main features of a breakeven chart (10 Marks)
b) Describe the limitations of breakeven analysis (10 Marks)