



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DIPLOMA OF BUSINESS
ADMINISTRATION
2nd YEAR 1st SEMESTER 2018 ACADEMIC YEAR
KISHI CAMPUS-PART TIME**

COURSE CODE: BBM 2215

COURSE TITLE: MANAGERIAL ACCOUNTING AND CONTROL

EXAM VENUE: STREAM: (DBA)

DATE: EXAM SESSION:

TIME: 2 HOURS

Instructions:

- 1. Answer Question ONE (COMPULSORY) and ANY other 2 questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

Attempt Question One (Compulsory) and any other two questions.

Question One (Compulsory)

- (a) State the differences between managerial accounting and financial accounting (10 mks)
- (b) Explain the characteristics of consumer behavior (10 mks)
- (c) ABC company has the following contribution margin income statement:

	Total (sh)	per unit (sh)
Sales (20,000)	1,200,000	60
Less variable costs	(900,000)	(45)
Contribution margin	300,000	15
Less fixed costs	(240,000)	
Net income	60,000	

Required:

- i. Calculate Break Even Point
- ii. Margin of safety (10 mks)

Question Two

- (a) Explain the methods of apportionment in Joint costs (10 mks)
- (b) Explain the meaning of the following nature of costs (10 mks)
 - i. Fixed costs
 - ii. Semi-fixed costs
 - iii. Overhead costs
 - iv. Variable costs
 - v. Semi-variable costs

Question Three

- (a) Explain the advantages of budgeting and budgetary control (10 mks)
- (b) XYZ company produces tubes of motor cycles. The following information was provided for the year 2016.

Sh.

Production 20,000 tubes

Sales	15,000 tubes
Production costs:	
Direct material	2,400,000
Direct labour	600,000
Variable overheads	500,000
Fixed overheads	900,000
Selling and Administration;	
Sales commission	250,000
General expenses	160,000
Overheads (Fixed)	240,000

The company sells each tube at a price of sh.300

Required:

- i. Profit and Loss account on the basis of marginal costing. (10 mks)

Question Four

- (a) Explain the problems of standard costing. (10 mks)
- (b) The following information relates to Jambo Traders for the year ended 31-12-2016

	Sh.
Motor vehicle expenses	12,000
Rent received	20,000
Closing inventory	30,000
Rent & Rates payable	50,000
Motor van cost less depreciation	63,000
Annual depreciation – motor van	15,000
Heat & Light	9,000
Telephone & postage	4,500
Sales	974,000
Purchases	683,500

Insurance	7,500
Loan interest payable	6,200
Salaries & Wages	104,000
Opening inventories	40,000
Bank balances	47,800

Required:

- i. Prepare an income statement for the year ended 31-12-2016. (10 mks)

Question Five

- (a) Explain the functions of managerial accounting (10 mks)

- (b) Manufacturing company provided the following data for its operation for the 2015.

Standard costs per product unit:	Sh.
Direct material	60
Direct labour	80
Variable overheads	20
Fixed overheads	<u>40</u>
	<u>200</u>
	Units
Opening stock	20,000
Production	180,000
Closing stock	40,000
Sales	160,000
Selling and Administration expenses	sh.
Variable	4,000,000
Fixed	2,000,000
Selling price per unit	300

Required:

- i. Profit and Loss account using absorption costing method (10 mks)