NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2025_2 EXAMINATIONS

COURSE TITLE: MANAGEMENT ACCOUNTING
COURSECODE: ACC313
TIME ALLOWED: 2 ½ HRS **COURSE UNITS:3 Units**

INSTRUCTIONS:
1. Attempt Question One (1) and any other three (3) questions
2. Question 1 carries 25 marks, while the other questions carry 15 marks each
3. Present all points in coherent and orderly manner

QUESTION 1
A) Adijetu Obera – nee Omeke Company Limited has the following records relating to the company's project at Igah-Ocheba. The variable cost for this project includes the following: Cost $= bx + cx^2 + dx^3$
Where b =14, c = 9, and d = 5.

You are required to calculate:
a) Variable cost when the company produced 20 units
b) Variable cost when the company produced 30 units
What is the cost function? Is it concave or convex? **(10marks)**

B) Write short note on the following:
I. Marginal costing
II. Marginal cost
III. Standard costing
IV. Standard cost
V. Relevant cost
(15marks)

QUESTION 2
The costs of maintaining admin. department of **Enema Company Limited** for the past six months are as follows:

Month	Labour Hours	Cost Incurred (N)
July, 2020	8,000	30,400
August, 2020	9,200	32,000
September, 2020	8,400	31,200
October, 2020	8,800	31,600
Novemeber, 2020	10,000	32,800
December, 2020	9,600	32,400

Requirements:
Calculate the cost for the month of January 2021 if the expected output is 10,800 labour hours **(15 marks)**

QUESTION 3
Differentiate between costing methods and costing techniques? List the methods and techniques and explain them. **(15marks)**

QUESTION 4
Define budget. What are the reasons for preparing budget? **(15marks)**

QUESTION 5
What are the reasons for adopting a standard costing technique**? (15marks)**

QUESTION 6
Define Zero-based budget (ZBB). What are its advantages and disadvantages? **(15marks)**