



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone NnamdiAzikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2021_1 EXAMINATIONS

COURSE CODE: ACC313 CREDIT UNIT: 3

COURSE TITLE: MANAGEMENT ACCOUNTING

TIME ALLOWED: 2^{1/2} HOURS

Instructions:

- 1. Attempt question one (1) and any other three (3).**
 - 2. Question 1 is compulsory and carries 25 marks while the other 3 questions carry 15 marks each. Present all your points in coherent and orderly manner.**
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QUESTION 1

Ojonugwa Company Limited is deciding whether to buy a machine for N200,000 which will save costs of N60,000 per annum for five years. The machine has a re-saleable value of N30,000 at the end of the fifth year. What would be the Internal Rate of Return (IRR) of the investment project? **(25 marks)**

QUESTION 2

Explain what you understand by contribution margin and its advantages to a manufacturing industry? What is Margin of Safety in management accounting? **(15 marks)**

QUESTION 3

Define standard costing and state why it is necessary and not necessary in an organisation. **(15 marks)**

QUESTION 4

Management accounting is dissimilar to cost accounting. Discuss. **(15 marks)**

QUESTION 5

Costing technique has different types. List and explain them. What are the advantages of costing technique? **(15 marks)**