



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESS WAY, JABI – ABUJA
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2024_2 EXAMINATION.

COURSE CODE: ACC313

CREDIT UNIT: 3

COURSE TITLE: MANAGEMENT ACCOUNTING

TIME ALLOWED: 2^{1/2} HRS

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**

1a. Udezi and sons are planning to buy a new machine for N20,000,000 which will have a lifespan of 6 years. The cash inflows estimated to be generated by the machine are as follows

1st year ...N12,400,000

2nd year N6,000,000

3rd year N7,100,000

4th year ... N2,203,000

5th year N2,774,000 and removed in year 6 an estimated net cash outflow of N1,477,000. The company's cost of capital is 15%. Should the company proceed with the investment? **25 Marks**

2. Give a brief explanation of

- i. The balanced score Card
- ii. Smart performance pyramid
- iii. Building Blocks. **15 Marks**

3. Write short note on the following:

- a) Idle Capacity
- b) Predetermined Cost
- c) Abnormal Costs
- d) Throughput Method
- e) Cash Budget

15 Marks

4. Define Benchmarking and explain six types of Benchmarking. **15 Marks**

5. Give an explanation of what you understand by payback period and specify its advantages to a manufacturing industry? **15 Marks**