

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
Post-Graduate Department of Commerce (M.Com)
M.Com Part-I, Semester-II, Semester End Examination, May 2023
COTS-414: Cost and Management Accounting (OA – 35)

Duration: 2 Hours

Max Marks: 40

Instructions:

1. This paper consists of *SIX* questions carrying *Equal marks*.
2. *Question No.1* consists of *5 Compulsory* questions of *2 marks each*.
3. Answer any *THREE* questions from question 2,3,4,5 and 6.
4. Each question carries *10 marks*. Figures to the *right* indicate marks.

Q.1. Answer the following:

(5 × 2 = 10)

- a) What do you mean by standard costing?
- b) Differentiate between Cash Flow and Fund Flow Statement (two points).
- c) Explain any two objectives of Cost Accounting.
- d) Explain any two objectives of Responsibility Accounting.
- e) What do you mean by Performance Budgeting?

Q.2. A. 'A number of tool and techniques have been used under management accounting to help management in achieving the desired goals.' Explain any five tools and techniques of Management Accounting in brief. (5)

B. 'Corporate enterprises are facing the challenges to determine their true profits, which are environmentally sustainable ones.' Discuss the Importance of Environmental Accounting in five points. (5)

Q.3. A. 'At times, wealth maximization may create conflict.' Explain in brief any five conflicts in profit versus value maximization principle. (5)

B. Rajashree Ltd. furnishes you the following data relating to the Year 2021-22 and 2022-23.

Particulars	2021-22	2022-23
Sales	36,000	45,000
Total cost	29,000	30,000

Calculate:

- i) P/V Ratio
- ii) Fixed costs
- iii) Margin of Safety (Rs.)
- iv) Margin of safety (%) (5)

Q.4. A. 'All organizations must account for their social costs and benefit for sustainable development to achieve their goals.' Explain how Social Accounting is beneficial to the enterprise (any five points). (5)

B. Calculate the trend percentage from the following figures of Zeroma Ltd. Taking 2018 as the base year and interpret them.

Year	Creditors (Rs.)	Inventories (Rs.)
2018	34,600	40,700
2019	35,300	48,500
2020	38,500	51,300
2021	40,700	52,800
2022	41,500	54,600

(5)

Q.5. Consider the following details:

The details with respect to materials are as follows:

Type of materials	Standard quantity (kg) for 1 unit of product	Standard Rate per hour (Rs.)	Total standard Rate (Rs.)	Actual quantity (kg) for 1000 units produced	Actual rate per quantity	Total actual cost (Rs.)
Material A	7	12	84	5900	13	76,700
Material B	5	10	50	4800	12	57,600
Material C	4	8	32	3700	9	33,300
			166			1,67,600

The details with respect to labour are as follows:

Type of labour	Standard Hours for 1 unit of product	Standard Rate per hour (Rs.)	Total standard Rate (Rs.)	Actual hours for 1000 units produced	Actual rate per hour	Total actual cost (Rs.)
Skilled Worker	4	24	96	3800	25	95,000
Semi-Skilled Worker	5	22	110	5800	23	1,33,400
Unskilled Worker	6	20	120	6900	19	1,31,100
			326			3,59,500

Compute:

1. Material Cost Variance
2. Labour Mix Variance
3. Material Yield Variance
4. Labour Rate Variance
5. Material usage variance

(10)

Q.6. The following schedule shows balance sheets of in condensed form of Vardhman Ltd., at the beginning and end of the financial year 2022-23.

Liabilities	1/4/2022 Amt. (Rs.)	31/3/2023 Amt. (Rs.)	Assets	1/4/2022 Amt. (Rs.)	31/3/2023 Amt. (Rs.)
Sundry creditors	69,000	98,000	Cash balances	32,000	43,000
Proposed dividends	55,000	70,000	Sundry debtors	98,000	1,20,000
Provision for tax	40,000	50,000	Bills Receivable	39,000	44,000
Bills payable	32,000	27,000	Stock in trade	77,000	80,000
6% Debentures	1,50,000	1,30,000	Machinery	80,000	2,00,000
Profit and Loss Account	30,000	52,000	Buildings	1,60,000	2,50,000
Share Capital	3,00,000	4,50,000	Goodwill	1,90,000	1,40,000
	6,76,000	8,77,000		6,76,000	8,77,000

The following information concerning the transactions is available:

- i) Depreciation of Rs.10,000 and Rs.20,000 have been charged on Machinery and Building respectively in the financial year 2022-23.
- ii) An interim dividend of Rs.35,000 has been paid in the financial year 2022-23.
- iii) Income tax provided for Rs.52,000 during the financial year 2022-23.
- iv) During the financial year 2022-23, buildings costing Rs.15,000 were sold for Rs.14,000 and loss of Rs.1,000 was written off to Profit and Loss Account.

Prepare:

- 1) Necessary ledger accounts
- 2) Statement of changes in Working capital
- 3) Calculation of Funds from operation
- 4) Fund Flow Statement

(10)