Roll NO__________

Vidya Vikas Mandal's

Shree Damodar College of Commerce & Economics, Margao

M.Com. (Semester I) Semester End Examination, (REPEAT) June 2022

COC120: Cost and Management Accounting (OA-18A)

Duration: 3 hours **Max. marks 60**

Instructions:

1. This paper consists of **Nine** Questions carrying **Equal** marks.
2. Question No.1 consists of **5 Compulsory** Questions of **2** Marks **Each**.
3. Answer any **5** questions from Question **2,3,4,5,6,7,8 and 9.**
4. **Each** question carries **10** marks. Figures to the **right** indicate marks.

Q.1) Answer the following: **(5x2=10)**

(a) Absorption costing Vs. Marginal costing

(b) Application of standard costing technique

(c) Programme and Performance Budgeting

(d) Significance of financial statement analysis

(e) Difference between Cashflow and Funds flow statements

Q.2) Mukta Parts Ltd. has an annual production of 90,000 units for a motor component. The component's cost structure is given below:

Particulars	**Amount (Rs)**
Materials	270 per unit
Labour (25% fixed)	180 per unit
Expenses: Variable Fixed	 90 per unit 135 per unit
Total	675 per unit

(a) The purchase manager has an offer from a supplier who is willing to supply the component at Rs. 540. Should the component be purchased and production be stopped?

(b) Assume the resources now used for this component's manufacture are to be used to produce another new product for which the selling price is 485.

In the latter case the material price will be Rs. 200 per unit. 90,000 units of this product can be produced on the same cost basis as above for labour and expenses. Discuss whether it would be advisable to divert the resources to manufacture the new products, on the footing that the component presently being produced would instead of being, be purchased from the market.

(10)

Q.3) Explain the concept of budgetary control system and discuss the various types of budgets that can be prepared by a manufacturing firm. **(10)**

Q.4) From the following forecasts of income and expenditure, prepare a cash budget for the month; January to April 2017.

Months	**Sales** *(Credit)* **(Rs.)**	**Purchases** *(Credit)* **(Rs.)**	**Wages (Rs.)**	**Manufacturing expenses (Rs.)**	**Administrative Expenses (Rs.)**	**Selling Expenses (Rs.)**
2016 Nov.	30,000	15,000	3,000	1,150	1,060	500
Dec.	35,000	20,000	3,200	1,225	1,040	550
2017 Jan.	25,000	15,000	2,500	990	1,100	600
Feb.	30,000	20,000	3,000	1,050	1,150	620
Mar.	35,000	22,500	2,400	1,100	1,220	570
April	40,000	25,000	2,600	1,200	1,180	710

Additional information:

1. The customers are allowed a credit period of 2 months.
2. A dividend of Rs. 10,000 is payable in the month of April.
3. Capital expenditure to be incurred: Plant purchased on 15th of January for Rs.5,000; a Building has been purchased on 1st March and the payments are to be made in monthly instalments of Rs.2,000 each.
4. The creditors are allowing a credit of 2 months.
5. Wages are paid on the 1st of the next month.
6. Lag in payment of other expenses is one month.
7. Balance of cash in hand on 1st January, 2017 is Rs. 15,000.

(10)

Q.5) The Standard Material Cost to produce one tonne of chemical X is:

300 kgs of Material A @ Rs. 10 per kg

400 Kgs of Material B @ Rs. 5 per kg

500 Kgs of Material C @ Rs. 6 per kg

During a period 100 tonnes of chemical X were produced from the usage of:

35 tonnes of Material A at a cost of Rs.9000 per tonne

42 tonnes of Material B at a cost of Rs. 6000 per tonne

35 tonnes of Material C at a cost of Rs. 7000 per tonne

(Conversion rate is 1 tonne = 1000 kg)

Calculate all possible Material Variances.

(10)

Q.6) From the following information given below, calculate the following ratios:

(i) Quick Ratio
(ii) Stock Turnover ratio
(iii) Debt-Equity Ratio
(iv) Return on Investment

Information:

Current assets Rs.5,00,000
Opening stock Rs. 50,000
Indirect expenses Rs. 20,000
Equity Share Capital Rs.700,000
10% Preference Share Capital Rs. 300,000
General reserves Rs.1,00,000

Cost of goods sold Rs.12,00,000
Gross profit Rs. 200,000
Closing stock Rs. 1,50,000
Current Liabilities Rs. 200,0000
12% Debentures Rs.200,000

(10)

Q.7) The following are the Balance Sheets of Jai Ltd. as on 31st March 2019 and 2020. Prepare a Comparative Balance sheet for the same and comment on the financial position of the firm.

Balance Sheets of Jai Ltd. as on 31st March 2019 and 31st March 2020

Particulars	**31st March 2020 (Rs)**	**31st March 2019 (Rs)**
I. Equity and Liabilities		
1. Shareholders funds		
a) Share Capital	20,00,000	15,00,000
b) Reserves & Surplus	300,000	400,000
2. Non-Current liabilities		
Long-term borrowings	900,000	600,000
3. Current Liabilities		
Trade payables	300,000	200,000
Total	**35,00,000**	**27,00,000**
II. Assets		
1. Non-Current assets		
a) Fixed Assets		
Tangible assets	20,00,000	15,00,000
Intangible assets	900,000	600,000
b) Current assets		
Inventories	300,000	400,000
Cash and cash equivalents	300,000	200,000
Total	**35,00,000**	**27,00,000**

(10)

Roll NO_______

Q.8) The following is the Balance Sheets of Padma Corporation Ltd. as on 31st March 2019 and 2020.

Balance Sheets of Padma Corporation Ltd. as on 31st March 2019 and 2020

Liabilities	**31-3-2019 (Rs.)**	**31-3-2020 (Rs.)**	**Assets**	**31-3-2019 (Rs.)**	**31-3-2020 (Rs.)**
Share Capital (Paid-up):			Land & Buildings	60,000	50,000
11% cumulative preference shares	--	30,000	Plant & Machinery	30,000	50,000
Equity shares	1,10,000	1,20,000	Sundry Debtors	40,000	48,000
General Reserves	4,000	4,000	Stock	60,000	70,000
Profit & Loss Ac	2,000	2,400	Bank	2,400	7,000
9% Debentures	12,000	14,000	Cash	600	1,000
Provision for tax	6,000	8,400			
Proposed Dividend	10,000	11,600			
Current Liabilities	49,000	35,600			
	1,93,000	2,26,000		1,93,000	2,26,000

You are required to prepare a Schedule of Changes in Working Capital and a Statement of Flow of Funds showing all the necessary working notes and comment on the same.
Note: Provision for taxation and Proposed dividend to be considered as non-current Liability. **(10)**

Q.9) Answer the following questions:

(A) Explain the significance and utility of cash flow statements to the business. (5)

(B) Discuss briefly some of the tools and techniques of management accounting. (5)

************** THE END ************