

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao- Goa
S Y BBA(FS) – Semester IV, Semester End Assessment, April 2018

MANAGEMENT ACCOUNTING

Duration: 3 Hours

Max.Marks: 60

Instructions:

- *Figures to the right indicate maximum marks*
- *All Questions are compulsory*
- *Start each new question on a fresh page*

Q.1.) Write a short note on ANY 4 from the following:

(4X3=12)

- a) Standard Variance
- b) Zero based Budgeting
- c) Production Budget.
- d) Marginal Costing.
- e) Make or Buy decision.

Q.2.a) The following data relate to Bilcare Ltd, you are required to prepare Cash Budget for the month of April, May and June 2017. **(12)**

The finance manager has made the following sales forecasts for the first five months of the coming year, commencing from 1st April 2017:

Month	Sales(Rs.)
April	40,000
May	45,000
June	55,000
July	60,000
August	50,000

Other Data:

- a) Debtors balance at the beginning of the year is Rs. 30,000. The opening balance of other relevant assets and liabilities are:

Opening Balance	Amount (Rs.)
Cash Balance	7,500
Stock	51,000
Accrued Sales commission	3,500

- b) 40% sales are on cash basis, credit sales are collected in the month following the sales.
- c) Creditors for the month of April, May and June were Rs. 14,000, Rs. 33,000 and Rs.36,000 resp.
- d) 5% commission to sales agent is paid in a month after it is earned.
- e) Inventory is kept equal to sales requirements for the next two months budgeted sales.
- f) Fixed costs are Rs. 5,000 per month including Rs. 2,000 depreciation.

OR

Q.2.x) Draw up a flexible budget for the overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90% plant capacity. (12)

PARTICULARS	At 80% Capacity (Rs)
Variable Overheads:	
Indirect Labour	12,000
Stores including spares	4,000
Semi-Variable Overheads:	
Power (30% fixed, 70% variable)	20,000
Repairs & Maintenance (60% fixed, 40% variable)	2,000
Fixed Overheads:	
Depreciation	11,000
Insurance	3,000
Salaries	10,000
Total Overheads	62,000
Estimated direct labour hours	1,24,000 hours

Q.3.a) Attempt the following:-

(08)

Particulars	Amount(Rs)
Fixed Cost	3,00,000
Variable Cost	6,00,000
Net Profit	1,00,000

Calculate: -

1. P/v ratio
2. Break Even Point (in Rs.)
3. Profit when sales are Rs.12,00,000
4. Volume of sales to earn profits of Rs.2,00,000/-.

Q.3.b) Distinguish between Marginal Costing and Absorption Costing.

(04)

OR

Q.3.x) What do you mean by Standard Costing? Explain the advantages of Standard Costing.(06)

Q.3.y). The following sales mix are capable of achievement in a factory:- .

(06)

Situation 1	2000 units of product A , 2000 units of product C
Situation 2	4000 units of product B
Situation 3	1000 units of product A , 2000 units of product B, 1600 units of product C

The cost per unit is as follows:

Particulars	Product A	Product B	Product C
Direct Material (Rs.)	20	16	40
Direct Wages (Rs.)	8	10	20
Selling price (Rs.)	36	40	100
Variable Overhead (Rs.)	2	4	8
Fixed Cost (Rs.)	20,000		

Which Product mix is most profitable?

Q.4.a) The standard material cost of a product is as follows:

(12)

Material	Standard cost for 10 units	Amount (Rs.)
A	600 units @ Rs. 15 per unit	9,000
B	800 units @ Rs. 20 per unit	16,000
C	1000 units @ Rs. 25 per unit	25,000
		50,000

The actual material cost to produce one unit of product is as follows:

Material	Actual cost for 10 units	Amount (Rs.)
A	640 units @ Rs. 17.50 per unit	11,200
B	940 units @ Rs. 18 per unit	16,920
C	870 units @ Rs. 27.5 per unit	23,925
		52,045

Calculate: Material Cost Variance, Material Price Variance, Material Usage Variance, Material Mix Variance, Material Yield Variance when actual yield is Rs.10, Material Revised Usage Variance.

OR

Q.4.x) The following information was given: (06)

Standard hour	15
Standard Rate	4
Actual Data	
Actual production	1000 units
Actual hours	15300 hours
Actual rate	Rs.3.90 per hour

Calculate: Labour Cost Variance, Labour Rate Variance, Labour Efficiency Variance.

Q.4.y) State and Explain the classification of budget. (06)

Q.5.a) Distinguish between Management Accounting and Cost Accounting. (12)

OR

Q.5.x) What is Management Accounting? Explain the functions of management accounting. (06)

Q.5.y) Explain the tools of management accounting. (06)
