Vidya Vikas Mandal's

Shree Damodar College of Commerce & Economics, Margao- Goa

S Y BBA(FS) – Semester IV, Semester End Assessment, April 2019.

BFS C402:MANAGEMENT ACCOUNTING

Duration: 3 Hours **Max.Marks: 60**

Instructions:-

- *Figures to the right indicate maximum marks*
- *Question 1 is compulsory*
- *Answer any four from Question 2 to Question 6*
- *Start each new question on a fresh page*

Q.1) Answer any FOUR of the following: (4*5=20)

a) Advantages of Management Accounting
b) Distinction between Management Accounting and Financial Accounting
c) Types of Budgets
d) Make or Buy Decision
e) Standard Costing

Q.2) From the following forecasts of income and expenditure, prepare a Cash Budget in the books of Union ltd for a period of three months (April to June) for the year 2017-18. (10)

Month 2018	Sales (Rs)	Purchases (Rs)	Wages (Rs)	Office Expenses (Rs)	Selling Expenses (Rs)
February	120000	80000	8000	5000	3600
March	124000	76000	8400	5600	4000
April	130000	78000	8800	5400	4400
May	122000	72000	9000	5600	4200
June	120000	76000	9000	5200	3800

Additional Information:

a) Plant worth Rs. 20,000 purchase in June 25% payable immediately and the remaining in two equal instalments in the subsequent months
b) Advance payment of tax payable in January and April Rs 6,000
c) Period of credit allowed by suppliers is 2 months and to the customers its 1 month
d) Dividend payable Rs.10,000 in the month of June
e) Delay in payment of wages and office expenses 1 month and selling expenses ½ month.
f) Expected cash balance on 1st April is Rs. 40,000.

Q.3) (06)

Attempt the following:

A.

Particulars	Amount (in Rs)
Selling Price	20/- Per Unit
Variable Manufacturing Cost	11/- Per unit
Variable Selling Cost	3/- Per Unit
Fixed Factory Overhead	540000 Per Year
Fixed Selling Cost	252000 Per Year

Calculate:

a) Break Even Point in Rs

b) Number of units that must be sold to earn a profit of Rs 60000/- per year

c) How many units must be sold to earn a net income of 10% of sales

B. Smart link Ltd has furnished the following production/sales mix which they capable of achievement in a factory. **(04)**

1. 6000 units of product 'X' and 2000 units of product 'Y'
2. 1000 units of product 'X' and 9000 unit of Product 'Y'

The contribution per unit is Rs 05/- and Rs 09/-.

Fixed cost is Rs 10000

Suggest which product mix would be profitable for the company.

Q.4) Gemini Chemical Industries provides the following information from their records: (10)

Category of Workers	Standard			Actual		
	Hours	Rate (Rs)	Amount	Hours	Rate (Rs)	Amount
Semi Skilled	1000	0.75	750	1100	0.80	880
Skilled	500	1.25	625	400	1.20	480
Total	**1500**		**1375**	**1500**		**1375**

Calculate for each Category of Worker:

a) Labour Cost Variance

b) Labour Rate Variance

c) Labour efficiency Variance

d) Labour Mix Variance

Q.5. For the production of 10,000 units electric automobile irons, the following are the budgeted expenses: (10)

Particulars	Per Unit
Direct Material	60
Variable overhead	25
Selling Expenses (10% Fixed)	15
Distribution Expenses (20% Fixed)	05
Total Cost	**105**

Prepare Flexible budget for the production of 6000 units, 7000units and 8000 units.

Q.6. Company manufactures "Distempers" operates a standing costing system for making 10 units of Distempers, the standard material requirement is: (10)

Material	Quantity	Rate (Per kg)
A	8	6.00
B	4	4.00

During April 2017, 1000 units of Distempers were produced. The actual consumption of material is as follows:

Material	Quantity	Rate (Per kg)
A	750	7.00
B	500	5.00

Calculate for each Material:

a) Material Cost Variance

b) Material Price Variance

c) Material Usage Variance

d) Material Mix Variance