

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao- Goa**  
**SY BBA(FS) – Semester IV, Semester End Assessment, Repeat October 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) Write a short note on ANY 4 from the following:**

**(4X5=20)**

- a) Management Accounting
- b) Zero based Budgeting
- c) Break Even Analysis
- d) Standard Costing
- e) Variance Analysis

**Q.2) From the following forecasts of Income and Expenditure, prepare a cash budget for January to April 2018 in the books of Pacoline Industries Pvt Ltd.**

**(10)**

Months	Sales (Credit) (Rs)	Purchase (Credit) (Rs)	Wages (Rs)	Manufacturing expenses (Rs)	Administrative expenses (Rs)	Selling expenses (Rs)
2017 November	30000	15000	3000	1150	1060	500
December	35000	20000	3200	1225	1040	550
2018 January	25000	15000	2500	990	1100	600
February	30000	20000	3000	1050	1150	620
March	35000	22500	2400	1100	1220	570
April	40000	25000	2600	1200	1180	710

Additional information as follows:

1. The customers are allowed a credit period of two months.
2. A dividend of Rs. 10000 is payable in April.
3. The company will buy a plant in March on loan and its payment will be done on monthly installment of Rs. 2000 each (starting from the same month).
4. The creditors are allowing a credit of 2 months.
5. Wages are paid on the 1st of the next months.
6. Lag in payment of other expenses is one month.
7. Purchased a machinery on 15<sup>th</sup> March of Rs.5000.
8. Balance of cash in hand on 1st January 2018 is Rs. 15000.

**Q.3)** Attempt the following: -

(10)

Year	Sales (Rs.)	Profit (Rs.)
2017	120000	8000
2018	140000	13000

**Calculate the following for 2018:**

1. Profit Volume Ratio
2. Break Even Point (Rs.)
3. Profits when sales are Rs. 200000
4. Sales required to earn a profit of Rs.17000
5. Margin of Safety.

**Q.4)** The following information is available from Cotmac Electronics Pvt. Ltd.

(10)

Product	Standard Quantity (units)	Standard Price (Rs.)	Actual Quantity (units)	Actual Price (Rs.)
A	10500	20.00	11000	20.25
B	15000	30.25	14000	30.50

**Calculate for each of the Product:** Material Cost Variance, Material Price Variance, Material Usage Variance, Material Mix Variance, Material Revised Usage Variance.

Q.5) Draw up a flexible budget for the overhead expenses on the basis of the following data and determine the overhead rates at 50%, 70%, 80% and 90% plant capacity. (10)

<b>PARTICULARS</b>	<b>At 80% Capacity Rs.</b>
<b>VARIABLE OVERHEADS:</b>	
Indirect Labour	120000
Stores including spares	40000
<b>SEMI-VARIABLE OVERHEADS:</b>	
Power (30% fixed, 70% variable)	200000
Repairs & Maintenance (60% fixed, 40% variable)	20000
<b>FIXED OVERHEADS:</b>	
Depreciation	110000
Insurance	30000
Salaries	100000
<b>TOTAL OVERHEADS</b>	<b>620000</b>

Q.6a). The following sales mix are capable of achievement in a factory:- (04)

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:

<b>Particulars</b>	<b>Product A</b>	<b>Product B</b>	<b>Product C</b>
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.6b). Attempt the following:- (06)

<b>Type of Workers</b>	<b>Hours</b>	<b>Rate</b>	<b>Amt(Rs.)</b>	<b>Hours</b>	<b>Rate</b>	<b>Amt(Rs.)</b>
Skilled	3000	2.00	6000	3200	1.50	4800
Unskilled	2000	3.00	6000	1900	4.00	7600
<b>Total</b>	<b>5000</b>		<b>12000</b>	<b>5100</b>		<b>12400</b>

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

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