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Shree Damodar College of Commerce & Economics Margao-Goa

S.Y.BCA SEM III END SEMESTER EXAMINATION, OCTOBER 2016

MANAGEMENT ACCOUNTING (BCA 303)

Duration: 2 Hrs **Max. Marks: 50 Mks**

Instructions:

Figures to the right indicate maximum marks.

Start each question on a fresh page

All questions are compulsory

Q 1) A) Choose the correct alternative from the following: (5)

1. A system of collection and presentation of accounting information for management activities such as planning, controlling & decision making.
   A) Cost Accounting B) Financial accounting C) Management accounting

2. A budget designed in a manner so as to give budgeted cost of any level of activity.
   A) Fixed budget B) Flexible budget C) Research budget

3. Excess of Selling Price over Variable Cost.
   A) Contribution B) Margin of Safety C) Break Even Point

4. A system of cost accounting which makes use of predetermined cost relating to each element of cost i.e. material, labour and overhead cost.
   A) Standard costing B) Marginal costing C) Opportunity costing

5. The reports meant for Shareholders, Government, Bankers, and Financial Institutions.
   A) Internal Reports B) Control Reports C) External Reports

Q 1) B) Match the following (5)

Column 'A'	Column 'B'
1) Budgets	A) Indicator of profitability
2) Profit volume ratio	B) Decision making
3) Marginal cost	C) Predetermined cost
4) Standard costing	D) Plan for future period
5) Management Reporting	E) Direct material & labour cost

Q 2) A) **A company is expecting to have Rs. 50,000 cash in hand on 1st June 2015 and it requires you to prepare cash budget for the three months from June to August 2015. The following information is supplied to you.** **(10)**

Month	Sales	Purchases	Wages	Expenses
April	85,000	45,000	6,000	5,000
May	90,000	52,000	8,000	8,000
June	92,000	65,000	9,000	9,000
July	1,05,000	60,000	11,000	10,000
August	1,60,000	55,000	13,000	10,000

a) Period of credit allowed by suppliers is two months.

b) 60% of sale is for cash and the period of credit allowed to customers for credit sale is one month.

c) Delay in payment of wages by one month.

d) Delay in payment of Expenses by two months.

e) Income tax Rs. 5,000 is to be paid in August 2015.

OR

Q 2) B) The expenses budgeted for production of 5,000 units in a factory are furnished below: **(10)**

Particulars	Per Unit
Direct Material	50
Direct Labour	25
Direct Expenses	10
Factory overheads (30% variable)	10
Administrative overheads (40% fixed)	15
Selling Expenses (10% fixed)	Rs 40,000

You are required to prepare a flexible budget for the production of 5,000 and 8,000 units.

Q 3) A) From the following information calculate: **(10)**

1) Contribution in Rupees 2) Profit Volume Ratio 3) Break Even Point in Rupees 4) Profit 5) Margin of Safety

Particulars	Rs.
Selling price per unit	Rs. 40
Variable Cost per unit	Rs. 15
Fixed Cost	50,000
Units of output: 10,000	

OR

Q 3) A) From the following information calculate: (10)

1) Material Cost Variance
2) Material Price Variance
3) Material Usage Variance

Raw Materials	Standard Quantity	Standard Price	Actual Quantity	Actual Price
A	820	11	760	12
B	2,020	21	2,160	19
C	1,050	34	1,250	36

Q4) A) i) Distinguish between Management Accounting & Financial Accounting. (5)

ii) Explain the limitations of Management Accounting. (5)

OR

B) i) State and Explain the advantages of Marginal Costing. (5)

ii) Highlight the types of budgets on the basis of functions. (5)

Q 5) A) i) State and Explain the advantages of Standard Costing. (5)

ii) Explain the advantages of Budgetary Control. (5)

OR

B) i) State and Explain the different types of management reports. (5)

ii) Discuss the essentials of good management reporting. (5)