

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**S.Y B.C.A, Semester III, End Semester Examination, October 2018**  
**Management Accounting (BCA 303)**

**Duration: 2 hrs**

**Max Marks: 50**

- Instructions :** 1. All questions are compulsory  
 2. Start each new question on a fresh page  
 3. Figures to the right indicate maximum marks

**Q 1) Explain the meaning of the following terms in 2-3 sentences :- (Any 5) (10 mks)**

- Management Accounting
- Marginal Cost
- Profit Volume Ratio
- Master Budget
- Standard Costing
- Break Even Point
- Management Reporting

**Q 2) A) A company is expecting to have Rs. 80,000 cash in hand on 1<sup>st</sup> June 2017 and it requires you to prepare cash budget for the three months from June to August 2017. The following information is supplied to you. (10 mks)**

| Month  | Sales    | Purchases | Wages  | Expenses |
|--------|----------|-----------|--------|----------|
| April  | 72,000   | 38,000    | 10,000 | 7,000    |
| May    | 86,000   | 42,000    | 10,000 | 9,000    |
| June   | 90,000   | 50,000    | 11,000 | 9,500    |
| July   | 95,000   | 58,000    | 12,000 | 11,500   |
| August | 1,00,000 | 60,000    | 13,000 | 12,000   |

- 50% of purchases are on cash basis and period of credit received from suppliers is one month .
- 40% of sale is for cash and the period of credit allowed to customers for credit sale is one month.
- Company is expecting to receive Rs. 10,000 in July 2017 from sale of machinery.
- Wages are paid in the month to which it relates.
- Delay in payment of Expenses by one month.

**OR**

**Q 2) B) Following is the data provided of Chowgule Pvt. Ltd. for the production at 50% Capacity. You are required to prepare a flexible budget for the production at 60% capacity and 80% capacity. (10 mks)**

|   |                |
|---|----------------|
| Production at 50% production capacity   | 2,000 units    |
| Material                                | Rs 80 per unit |
| Labour                                  | Rs 50 per unit |
| Direct Expenses                         | Rs 10 per unit |
| Factory overheads (25% fixed)           | Rs 50,000      |
| Administrative overheads (30% variable) | Rs 40,000      |
| Selling overheads (50% fixed)           | Rs 60,000      |

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

**(10 mks)**

- 1) Contribution in Rupees 2) Profit Volume Ratio 3) Break Even Point in Rupees
- 4) Margin of Safety 5) Sales in units to earn the desired profit of Rs. 6,00,000

| Particulars                    | Rs.         |
|--------------------------------|-------------|
| Selling price per unit         | Rs. 40      |
| Variable Cost per unit         | Rs. 10      |
| Fixed Cost                     | Rs.2,25,000 |
| <b>Units of output: 10,000</b> |             |

**OR**

**Q 3) B) i) From the following information calculate:**

**(10 mks)**

- 1) Labour Cost Variance 2) Labour Rate Variance 3) Labour Efficiency Variance

| Labour           | Standard Hours | Standard Rate | Actual Hours | Actual Rate |
|------------------|----------------|---------------|--------------|-------------|
| Skilled Labour   | 80             | 25            | 120          | 22          |
| Unskilled Labour | 160            | 15            | 80           | 18          |

**ii) From the following information calculate:**

- 1) Material Cost Variance 2) Material Usage Variance

| Raw Materials | Standard Quantity | Standard Price | Actual Quantity | Actual Price |
|---------------|-------------------|----------------|-----------------|--------------|
| A             | 2,020             | 21             | 2,160           | 19           |
| B             | 1,050             | 34             | 1,250           | 36           |

**Q4) A) i) Distinguish between Management Accounting & Cost Accounting.**

**(5 mks)**

**ii) Explain the advantages of Management Accounting.**

**(5mks)**

**OR**

**Q4) B) i) Highlight the essentials of a good budget.**

**(2 mks)**

**ii) Explain the steps in budgetary control.**

**(3 mks)**

**iii) State and Explain the advantages of Marginal Costing.**

**(5 mks)**

**Q5) A) i) State and Explain the advantages of Standard Costing.**

**(5 mks)**

**ii) Explain the disadvantages of Standard Costing.**

**(5 mks)**

**OR**

**Q5) B) i) State and Explain two types of management reports.**

**(2 mks)**

**ii) Explain the steps in effective reporting.**

**(3 mks)**

**iii) Discuss the essentials of good management reporting.**

**(5 mks)**