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# Shree Damodar College of Commerce & Economics. Margao-Goa

SYBCA, SEM III, SPECIAL SUPPLEMENTARY EXAMINATION, MAY/JUNE 2015

## Management Accounting (BCA 303)

**Duration: 2 hours** **Marks: 50**

*Instruction:*
*1) All questions are compulsory*
*2) Figures to the right indicate full marks*
*3) Start each new question on fresh page*

**Q No. 1) A) Fill in the blanks** **(5 mks)**

1) ________________ Accounting is required to be published.
2) ________________ is a summary budget for the entire business organization.
3) ________________ is that level of activity where total cost equals to total revenue.
4) ________________ is a specialized technique of costing under which costs are pre-determined.
5) ________________ reports are also known as periodical reports.

**B) Match the following** **(5 mks)**

| Column 'A' | Column 'B' |
|---|---|
| 1) Management Accounting | a) Quantitative and financial terms |
| 2) Break-Even-Point | b) Favorable and favorable |
| 3) Budget | c) Audit is not compulsory |
| 4) Marginal Costing | d) No profit No loss |
| 5) Variances | e) Technique of Costing |

**(10 mks)**

**Q No. 2) A)** From the following forecasts of income and expenditure, prepare a Cash Budget for the months of January to April 2000.

| Months | Sales | Purchases | Wage | Manufacturing expenses | Administration expense | Selling expenses |
|---|---|---|---|---|---|---|
| 1999 Nov | 30,000 | 15,000 | 3,000 | 1,150 | 1,060 | 500 |
| Dec | 35,000 | 20,000 | 3,200 | 1,225 | 1,040 | 550 |
| 2000 Jan | 25,000 | 15,000 | 2,500 | 990 | 1,1,00 | 600 |
| Feb | 30,000 | 20,000 | 3,000 | 1,050 | 1,150 | 620 |
| Mar | 35,000 | 22,500 | 2,400 | 1,100 | 1,220 | 570 |
| April | 40,000 | 25,000 | 2,600 | 1,200 | 1,180 | 710 |

Additional information is as follows:

1) The customers are allowed a credit period of 2 months.
2) A dividend of Rs. 10,000 is payable in April.
3) Capital expenditure to be incurred: plant purchased on 15th of January for Rs 5,000; a building has been purchased on 1st March and the payments are to be made in monthly installments of Rs. 2,000 each.
4) The creditors are allowing a credit of 2 months.
5) Wages are paid on the 1st of the next month.
6) Lag in payment of other expenses is one month.
7) Balance of cash in hand on 1st January 2000 is Rs. 15,000.

**(OR)**

**(10 mks)**

**Q No. 2) X)** Prepare a flexible budget for production at 80% and 100% activity on the basis of the following information:

| | |
|---|---|
| Production at 50% capacity | : 5,000 units |
| | Rs. |
| Raw materials | 80 per unit |
| Direct labour | 50 per unit |
| Expenses | 15 per unit |
| Factory expenses (50% fixed) | 50,000 |
| Administrative expenses (60% variable) | 60,000 |

**Q No. 3) A)** From the following information calculate: **(10 mks)**

i) Labour Cost Variance
ii) Labour Rate Variance
iii) Labour Efficiency Variance
iv) Labour Idle Time Variance

| | |
|---|---|
| Standard Rate | Rs. 4 per hour |
| Standard Time | 10 hours per unit |
| Actual production | 1,100 units |

Hours taken: Production 11,500
Idle time 500
Total 12,000

Payment of Rs. 60,000 was made @ Rs. 5 per hour.

**(OR)**

**(10 mks)**

**Q No. 3) X)** From the following information figures calculate:

i) P/V Ratio
ii) Break Even Sales Volume
iii) Margin of safety
iv) Profit

Sales Rs. 8,000; Variable cost Rs. 4,000; Fixed cost Rs 3,200

**(10 mks)**

**Q No. 4) A)** Define Management Accounting. Explain the various techniques of Management Accounting.

**(OR)**

**(10 mks)**

**Q No. 4) X)** Explain the advantages and limitations of Marginal costing.

**(10 mks)**

**Q No. 5) A)** What is Budgetary Control? State and explain the objectives of Budgetary Control

**(OR)**

**(10 mks)**

**Q No. 5) X)** State and explain the various types of reports used in organizations.

************** **BEST OF LUCK** **************