MAULANA ABUL KALAM AZAD UNIVERSITY OF TECHNOLOGY, WEST BENGAL

BBA-301

MANAGEMENT AND ACCOUNTING

Time Allotted: 3 Hours | Full Marks: 70

The questions are of equal value.
The figures in the margin indicate full marks.
Candidates are required to give their answers in their own words as far as practicable.
All symbols are of usual significance.

GROUP A
(Multiple Choice Type Questions)

1. Answer any *ten* questions. $10 \times 1 = 10$

(i) EOQ provides the optimum level at which

(A) labour cost is minimum (B) sales is maximum
(C) profit is maximum (D) material cost is minimum

(ii) During inflation which method shows higher profitability from material issue?

(A) FIFO (B) LIFO
(C) Simple average (D) Weighted average

(iii) Which one of the following is not a classical function of management?

(A) Planning (B) Staffing
(C) Directing (D) Training

(iv) Father of Management, Frederick Winslow Taylor's pioneering book was

(A) the shop management (B) practices of management
(C) management studies (D) leading the revolution

(v) A process organization is viewed as

(A) mechanical entity (B) dynamic entity
(C) humanistic entity (D) both (B) and (C)

(vi) MBO stands for

(A) Management By Objectives
(B) Model Budget Operation
(C) Management By Organization
(D) Management By Orientation

(vii) Cost determined in advance on the basis of scientific analysis of circumstances is

(A) estimated cost
(B) standard cost
(C) pre-determined cost
(D) past cost

(viii) The components of total factory cost are:

(A) direct material + direct labor
(B) direct labor + FOH
(C) prime cost only
(D) prime cost + FOH

(ix) Which of the following would probably be the least appropriate allocation base for allocating overhead in a highly automated manufacturer of specialty valves?

(A) Machine-hours
(B) Power consumption
(C) Direct labor-hours
(D) Machine setups

(x) Material controls encompass

(A) purchasing (B) storing (C) issue (D) all of these

(xi) Following information is available relating to a manufacturing concern: Cost of Goods Sold Rs. 245,000, Purchases Rs. 250,000, Freight Inward Rs. 5,000, Closing Stock Rs. 25,000. What will be amount of Opening Stock?

(A) Rs. 15,000 (B) Rs. 10,000 (C) Rs. 25,000 (D) Rs. 20,000

(xii) EPS is the measure of

(A) profitability
(B) credibility
(C) operational efficiency
(D) measure of central tendency

GROUP B
(Short Answer Type Questions)

Answer any *three* questions. $3 \times 5 = 15$

2. The following data relating to manufacture of a standard product during the year 2004. Prepare cost sheet showing cost per unit.
Raw material consumed – Rs. 4000, Wages – Rs. 6000, Machine Hours Worked – Rs. 1000, Machine Hours rate – 50 paise, Office Overhead – 20% on works cost, Selling Overhead – 6 paise per unit, Units Produced – 20,000, Units Sold – 18,000 at the rate of Re. 1/- per unit.

3. From the following data calculate the following ratios:-
(a) Gross Profit Ratio (b) Debt-Equity Ratio.
Net Sales – Rs. 30,000, Cost of Goods Sold – Rs. 20,000, Net Profit – Rs. 3,000, Current Asset – Rs. 6,000, Stock – Rs. 1,000, Current Liabilities – Rs. 2,000, Paid-Up Share Capital – Rs. 5,000, Debenture – Rs. 2,500.

4. Quarterly Consumption – 3000 units
Cost per unit – Re. 1
Ordering Cost – Rs. 12 per order
Inventory carrying charge – 20%
Normal Lead Time – 15 days
Safety Stock – 30 days consumption
Find out (i) Economic Order Quantity (ii) Re-Order Level.

5. Discuss the advantages and disadvantages of Zero-Based budgeting.

6. Discuss long-term and short-term sources of finance.

GROUP C
(Long Answer Type Questions)

Answer any *three* questions. $3\times15 = 45$

7. From the following particulars, prepare cost sheet, assuming sales are made on the basis of "FIFO" principle: 15

Raw materials	Rs. 16000 (as on 1.01.08)	Rs. 19600 (as on 31.12.08)
Working in progress	Rs. 12600 (as on 1.01.08)	Rs. 4600 (as on 31.12.08)
Finished goods	Rs. 16400, 3000 units (as on 1.01.08)	2500 units (as on 31.12.08)

Purchase of raw material Rs. 111600, sale of finished foods (40500 units) Rs. 283500 distribution overheads 50 paisa per unit sold, machine hour rate Rs. 2.50, machine hours worked 8000 hours.

8. The National Enterprise Ltd has three production department A, B, C and two service department D, E. The following figures are extracted from the records of the company 5+10

Items	Rs.	Items	Rs.
Rent, rates	10000	General Lighting	1200
Indirect Wages	3000	Power	3000
Depreciation-machinery	10000	Sundries	10000
Repairs & maintenance	30000	Employees state Insurance	30000

The further information available are as follows:

Particulars	Total	A	B	C	D	E
Floor Space (Sq.Ft)	10000	2000	2500	3000	2000	500
Light Points	60	10	15	20	10	5
Direct Wages	10000	3000	2000	3000	1500	500
H.P of machine	150	60	30	50	10	-
Working Hrs		6226	4028	4066	-	-
Value of Machine (Rs)	2,50,000	60000	80000	100000	5000	5000
Expenses of D and E allocated as follows						
D		20%	30%	40%	-	10%
E		40%	20%	30%	10%	

Prepare:
(a) Primary Distribution Summery
(b) Secondary distribution summery [using simultaneous equation method].

9. Explain the different steps in control process. Discuss the essentials of good control process in an IT company developing software for banking and financial accounting. 10+5

10. Write short notes on any *three* of the following: 3×5
   (a) Cost Accumulation System
   (b) Contribution as per C.V.P. Analysis
   (c) Waking Capital
   (d) Net Present Value
   (e) Cost Ascertainment.

11. The following are budgeted expenses for production of 10,000 units of a product:

Particulars	Rs.(per unit)
Direct material	60
Direct labour	30
Variable overhead	25
Fixed overhead (Rs 1,50,000)	15
Variable expenses(direct)	5
Selling expenses (10% fixed)	15
Administration Expenses (Rs 50,000)	5
Distribution expenses (20 % fixed)	5
Total cost of sales per unit	160

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