

CS/MCA/Odd/Sem-3rd/MBA-302/2015-16



**MAULANA ABUL KALAM AZAD UNIVERSITY OF TECHNOLOGY,
WEST BENGAL**

MBA-302

MANAGEMENT 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. 10×1 = 10
- (i) The current ratio refers to
- (A) liquid assets / liquid liabilities
 - (B) current assets / current liabilities
 - (C) cost of goods sold / average inventories
 - (D) quick assets / current liabilities
- (ii) PATENT of an app is a
- (A) tangible asset
 - (B) intangible asset
 - (C) fictitious
 - (D) current asset
- (iii) A withdrawal of goods from business by the proprietor should be credited to
- (A) drawing account
 - (B) purchase account
 - (C) capital account
 - (D) cash account
- (iv) Bad debt is a
- (A) personal account
 - (B) real account
 - (C) nominal account
 - (D) fictitious account

CS/MCA/Odd/Sem-3rd/MBA-302/2015-16

- (v) When a change is made in the level of production in the resulting change in the total cost is known as
(A) imputed cost (B) opportunity cost
(C) out of pocket cost (D) differential cost
- (vi) Fixed cost per unit increases when
(A) variable cost per unit increase (B) variable cost per unit decrease
(C) production value increase (D) production volume increase
- (vii) At shut down point
(A) total sales = variable cost (B) total sales = total cost
(C) total sales = fixed cost (D) fixed cost = variable cost
- (viii) Efficiency of operation of a firm is high when inventory turnover ratio is
(A) high (B) low
(C) constant (D) fluctuates in high seasons
- (ix) In P-V analysis if fixed costs are increased then BEP (sales value) will
(A) increase
(B) decrease
(C) remains the same
(D) increase at first and will be constant later
- (x) In a balance sheet share premium account is an element of
(A) asset
(B) liability
(C) sales
(D) revenue stated in profit and loss a/c
- (xi) When it is assumed that business will continue for a fairly long time to come, is the concept of
(A) separate entity concept (B) going concern concept
(C) money measure concept (D) cost concept
- (xii) A company having manual accounting system recorded goods purchased on credit from Mr. X amounting to Rs. 1,000 was wrongly debited as Rs. 100 in purchase account and credited to Mr. X account by Rs. 100 is a
(A) error of omission (B) error of commission
(C) error of principle (D) error of misposting

CS/MCA/Odd/Sem-3rd/MBA-302/2015-16

GROUP B
(Short Answer Type Questions)

Answer any *three* questions.

3×5 = 15

2. Find the EQQ from the following data:
Annual Demand 18000 units p.a, Re-ordering period 4-6 weeks, Cost per unit Rs 1.50, Cost for placing an order Rs. 12 per week, Normal consumption 250 units per week, Inventory carrying cost 20% of unit value.
3. Explain the importance of C. V. P. analysis.
4. Calculate BEP and Turnover required to earn a profit of Rs. 36,000 from the following:
 - (a) Fixed cost Rs. 1,00,000
 - (b) Variable Cost/unit Rs. 2
 - (c) Selling price Rs. 20.
5. Define cost reduction and cost control. State the areas of application of both in brief.
6. How do you make purchase and sales order in Tally?

GROUP C
(Long Answer Type Questions)

Answer any *three* questions.

3×15 = 45

7. (a) What do you mean by Zero Based Budget? Distinguish between Cash Budget and master budget? (2+3)
- (b) Prepare cost sheet, assuming sales are made on the basis of FIFO basis. 10

Opening stock of finished goods (50000 units)	Rs. 45000
Purchase of raw material	Rs. 257100
Direct wages	Rs. 105000
Factory overhead	Rs. 100% of direct wages
Administrative overhead	Re 1 per unit
Selling and Distribution overhead	10% of sales
Closing stock of finished goods (10000 units)	?
Sales (45000 units)	Rs. 660000

CS/MCA/Odd/Sem-3rd/MBA-302/2015-16

8. The following are budgeted expenses for production of 10,000 units of a product: 15

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.

9. The following details are available about a manufacturing company as at 31st December, 2014. Prepare a Manufacturing Account of the Company. 15

	Rs.
Raw material stock as on 01.01.2014	18,000
Work in progress (WIP) on 01.01.2014	8,000
Raw material purchased	40,000
Office equipment purchased	21,000
Factory wages	58,000
Carriage outward	7,500
Factory on cost	7,000
Fuel and electricity	12,000
Factory rent	4,000
Foreman's wages	6,000
Salary: Office	4,500
Stock of raw material stock as on 31. 12. 2014	20,000
WIP as on 31. 12. 2014	7,200

- 10.(a) What decisions are taken in a multinational manufacturing company by using the cost-volume-profit analysis? State with examples. 5
- (b) Is it prudent to increase fixed costs and decrease variable costs? Logically elucidate your view with examples. 5
- (c) Distinguish between marginal costing and absorption costing. 5
11. Write short notes on any *three* of the following: 3×5
- Cost accumulation
 - Semi-variable costs
 - Auditor's Report in an Annual Report of a company
 - Contingent liability
 - Defened revenue expenditure.