



Name :
Roll No. :
Invigilator's Signature :

CS/MCA/SEM-3/MBA-302/2012-13

2012

MANAGEMENT ACCOUNTING

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* for the following :

10 × 1 = 10

- i) Which of the following is not a Debt Capital
 - a) Debenture
 - b) Loan from Financial Institution
 - c) Preference Share Capital
 - d) Long Term Loan.

- ii) When a machinery is sold on credit the entry should be pass through
 - a) Sales Day Book
 - b) Journal Proper
 - c) Cash Book
 - d) None of these.



- iii) According to the Modern Rules of accounting, the accounting heads are classified as
- a) Personal Accounts, Real Accounts & Nominal Accounts.
 - b) Current Accounts & Non Current Account
 - c) Assets, Liabilities, Incomes & Expenses
 - d) None of these.
- iv) Current ratio measures
- a) The solvency of the business
 - b) The liquidity of the business
 - c) The profitability of the business
 - d) The efficiency of the business.
- v) When turnover increases the Fixed cost per unit will :
- a) Increase
 - b) Decrease
 - c) Remain constant
 - d) None of these.
- vi) Sales Rs. 1,80,000/-, Profit Rs. 20,000/- variable cost 60%, P/V. Ratio will be
- a) 20%
 - b) 40%
 - c) 60%
 - d) 80%.
- vii) The term inventory is a wide term and generally includes :
- a) Stock of Raw materials
 - b) Work in Progress
 - c) Finished Goods
 - d) All of these.
- viii) The standard current ratio in a manufacturing concern is :
- a) 2 : 1
 - b) 1 : 1
 - c) 2 : 3
 - d) 1 : 2.



- ix) Rs. 5,000/- received from Mr. X wrongly credited to Mr. Y account is a :
- a) Error of Omission b) Error of commission
c) Error of Principle d) Error of Misposting.
- x) At Break Even Point :
- a) Total Sales = Variable Cost
b) Total Sales = Fixed Cost
c) Total Sales = Total Cost
d) None of these.
- xi) Bin Card is maintained by :
- a) Store Department
b) Accounts Department
c) Cost Accounts Department
d) Purchase Department.
- xii) Re-order level is calculated as
- a) Minimum consumption X Minimum Re-order Period
b) Maximum consumption X maximum Re-order Period
c) Minimum consumption X Minimum Re-order period
d) Normal usage X Normal Delivery Period

GROUP - B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. What is transaction ? Does transaction and even denote some thing ? Explain with examples.



3. You are given the following information :
Working capital Rs. 4,00,000, Current Ratio 5 : 1,
Quick Ratio 1 : 1.
Find and (i) current Assets (ii) current Liabilities and
(iii) Closing stock
4. The following data relating to a manufacture of a standard product during the F.Y. 2011 – 12. Prepare cost sheet showing cost per unit
- | | | |
|-------------------------|---|--|
| Raw material Consumed | = | Rs. 40,000/- |
| Wages | = | Rs. 60,000/- |
| Machine hours worked | = | 3000 hours |
| Machine hour rate | = | Rs. 1/- per hour |
| Selling Overhead | = | 10 paise Per Unit |
| Unit Produced | = | 40,000 |
| Unit Sold | = | 30,000 at the rate of
Rs. 10/- per unit |
| Administrative overhead | = | 10% of winks cost. |
5. XYZ Ltd. a manufacturing company, furnished the following information for the month of Mar' 2012.
- | | |
|------------|--|
| 01/03/2012 | Purchase 1,000 units Rs. 10/- per unit |
| 04/03/2012 | Purchase 500 units Rs. 15/- per unit |
| 06/03/2012 | Issue 600 units. |
| 10/03/2012 | Purchase 700 units Rs. 16/- per unit |
| 15/03/2012 | Issue 1000 units. |
| 20/03/2012 | Purchase 100 units Rs. 18/- per unit |
| 23/03/2012 | Issue 200 uints. |
- Prepare store ledger under weighted average method.
6. Discuss the factors which influence the working capital of a business unit.

**GROUP - C****(Long Answer Type Questions)**

Answer any *three* of the following. $3 \times 15 = 45$

7. a) Distinguish between Fund flow Statement and Cash Flow Statement. 5
- b) From the Balance Sheet and additional information, you are required to prepare Fund Flow Statement for the period ending on 31.3.2012.

BALANCE SHEET

Liabilities	2010-11	2011-12	Assets	2010-11	2011-12
Equity Share Capital	2,40,000	3,00,000	Land and Building	2,40,000	2,28,000
General Reserve	40,000	60,000	Plant & Machinery	1,60,000	1,80,000
Profit/Loss Account	30,000	50,000	Stock	80,000	80,000
10% Debenture	2,00,000	1,60,000	Debtors	70,000	1,40,000
Creditors	30,000	60,000	Bank	10,000	12,000
Proposed dividend	20,000	10,000			
	5,60,000	6,40,000		5,60,000	6,40,000

ADDITIONAL INFORMATION

- 1) During 2011-12, dividend Rs. 20,000/- were paid.
- 2) Depreciation on land & Building and on Plant and Machinery was Rs. 12,000 and Rs. 16,000 respectively.

10



8. a) State the limitation of Ratio analysis. 5
- b) From the Balance Sheet of Levcon Instruments Pvt. Ltd., as on 31/03/2012, you are to calculate : 10
- i) Current Ratio
 - ii) Liquid Ratio
 - iii) Proprietary Ratio
 - iv) Debt Equity Ratio
 - v) Gearing Ratio.

LIABILITIES	RS.	ASSETS	RS.
Equity Share Capital	1,00,000	Land and Building	1,80,000
Pref. Share Capital	1,40,000	Plant & Machinery	3,10,000
Reserve & Surplus	50,000	Stock	2,00,000
6% Debenture	2,00,000	Sundry Debtor	1,20,000
Bank over Draft	1,60,000	Bills Receivable	20,000
Sundry Creditors	1,40,000	Cash in Hand	10,000
Bills Payable	50,000		
	8,40,000		8,40,000

9. a) What are the Functions of Management Accounting ? 5
- b) Distinguish between Financial Accounting & Management Accounting. 10
10. Writes notes on (Any Three) 3 × 5
- a) Utility of accounting computer package
 - b) Assumption of Break Even Chart
 - c) Advantages and disadvantages of Budgetary Controls.
 - d) Flexible Budget
 - e) Economic Order Quantity.



11. From the following information, calculate

- i) Profit – volume Ratio, (ii) Sales at Break-even point (iii) Sales to earn profit of Rs. 2,00,000 (iv) Profit when sales is Rs. 15,00,000.

Production = 12,000 units

variable cost per unit Rs. 40

Sales per unit Rs. 60

Fixed cost Rs. 150,000
