

CS/MCA/ODD SEM/ SEM-3/MBA-302/2016-17



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

Paper Code : MBA-302

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 of the following : 10 × 1 = 10
- i) Profit is the contribution
 - a) below B.E.P.
 - b) at B.E.P.
 - c) above B.E.P.
 - d) Profit, B.E.P. and contribution are unrelated.
 - ii) Excess of current assets over current liabilities is known as
 - a) total capital
 - b) floating capital
 - c) working capital
 - d) managing capital.

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- iii) Fund flow statement is a statement showing changes in
 - a) cash position
 - b) assets and liabilities
 - c) sources and application of fund
 - d) none of these.
- iv) Excess of debit over credit in trading account is
 - a) Gross profit
 - b) Gross loss
 - c) Net profit
 - d) Net loss.
- v) EOQ minimizes
 - a) total of ordering and carrying cost
 - b) total of purchase cost and holding cost
 - c) total of purchase and ordering cost
 - d) none of these.
- vi) Direct costs are such costs which
 - a) can be directly identified with product
 - b) vary directly and proportionately with output
 - c) related to production only
 - d) all of these.
- vii) Current ratio is used to measure
 - a) Long term solvency
 - b) Financial stability
 - c) Short-term solvency
 - d) all of these.
- viii) The classification of cost as either direct or indirect depends upon
 - a) the cost object to which the cost is being related
 - b) the timing of the cash outlay for the cost
 - c) the behaviour of the cost in response to volume changes
 - d) the controllability of costs.
- ix) Cash Account s a
 - a) Personal account
 - b) Real account
 - c) Nominal account
 - d) Contingent account.

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- x) Goodwill is a
 - a) Fixed asset
 - b) Current asset
 - c) Fictitious asset
 - d) Wasting asset.
- xi) Excess of current assets over current liabilities is termed as
 - a) Total capital
 - b) Floating capital
 - c) Working capital
 - d) Debt capital.
- xii) Stores ledger is maintained in
 - a) Store department
 - b) Purchase department
 - c) Sales department
 - d) Cost Accounting department.

GROUP - B

(Short Answer Type Questions)

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

- 2. A particular item has demand of 15,000 units per month. The cost of one procurement is Rs. 1,000, cost per unit Rs. 50 and the stock holding cost @ 20%, then determine —
 - a) economic order quantity
 - b) the number of orders during the year
 - c) the gap between two orders.
- 3. From the following particulars prepare a cost sheet for the year ended on 31/03/2015.

Item	01.04.2014 Rs.	31.03.2015 Rs.
Raw Materials	16,000	19,600
W.I.P.	12,600	4,600
Finished goods (at cost)	16,400	—

Purchase of raw materials Rs. 1,11,600. Sale of finished goods Rs. 2,83,500. Productive wages are Rs. 67,200. Office and administrative expenses are Rs. 20,800. Selling and distribution expenses are Rs. 5,000.

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4. Find the profit from the following data :

	Rs.
Sales	80,000
Marginal Cost	60,000
Break-even point	60,000 (sales)

5. The following data relates to the manufacture of a product X during the month of April, 2016.

Particulars	Rs.
Raw Materials	1,80,000
Direct Wages	90,000
Machine hours worked (hours)	10,000
Machine hours rate (per hour)	8
Administration overheads	10 % of works cost
Selling overheads	Rs. 5 per unit
Units produced	4,000
Units sold	3,600
Selling price per unit	125

You are to prepare a cost sheet in respect of the above showing total profit and profit per unit of product X.

6. From the following data, calculate (i) Break-even point expressed in amount of sales in rupees (ii) Number of units that must be sold to earn a profit of Rs. 60,000 per year.

Sales Price	Rs. 20 per unit
Variable manufacturing cost	Rs. 11 per unit
Variable cost	Rs. 9 per unit
Fixed factory overhead	Rs. 5,40,000 per year
Fixed selling cost	Rs. 2,52,000 per year

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GROUP - C

(Long Answer Type Questions)

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

7. The following figures of sales and profits for two periods are available in respect of a concern :

Period	Sales (Rs.)	Profit (Rs.)
I	1,00,000	15,000
II	1,00,000	23,000

You are required to find out :

- a) P/V ratio
 - b) Fixed cost
 - c) Break-even point
 - d) Profit at an estimated sales of Rs. 1,25,000
 - e) Sales required earning a profit of Rs. 20,000.
8. Prepare the Balance Sheet of Panda Ltd. from the following information :

Current Ratio	2.5 : 1
Liquid Ratio	1.5 : 1
Proprietary Ratio (Fixed assets/Proprietor's Funds)	0.75
Working Capital	Rs. 60,000
Reserves and Surplus	Rs. 40,000
Bank overdraft	Rs. 10,000

There are no Long term loans or Fictitious assets.

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9. Prepare the Funds Flow Statement from the following information :

Liabilities	2014 (Rs.)	2015 (Rs.)	Assets	2014 (Rs.)	2015 (Rs.)
Equity Share Capital	1,20,000	1,50,000	Land & Building	1,20,000	1,14,000
General Reserve	20,000	30,000	Plant & Machinery	80,000	90,000
Profit & Loss	15,000	25,000	Stock	40,000	50,000
10% Debenture	1,00,000	80,000	Debtors	30,000	60,000
Creditors	15,000	30,000	Bank	10,000	6,000
Provision for Tax	10,000	5,000			
Total	2,80,000	3,20,000	Total	2,80,000	3,20,000

Additional information :

- i) During 2014, a dividend of Rs. 20,000 were paid.
- ii) Depreciation on land and building was provided at 5% p.a. and on plant & machinery @ 10% p.a.
- iii) Provision for taxation during the year was maintained as Rs. 8,000.

10. Write short notes of the following : 5 × 3

- a) Pay-back period
- b) Net present value
- c) Zero Based Budgeting
- d) Long-term loan
- e) Contingent liabilities.

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11. Following is the Trial balance of Deep Ltd. for the year ended on 31st December 2015. Prepare Final accounts.

Trial Balance for the year ended on 31.12.2015

Debit Balance	Amount	Credit Balance	Amount
Bank Balance	800	Bills Payable	7,000
Opening Stock	20,000	Bank Loan	10,400
Debtors	40,000	Share Capital	75,000
Purchase	1,00,000	Sales	1,66,000
Motor Car	15,000	Commission Received	300
Furniture	20,000	Purchase Return provision of	2,000
Machinery	15,000	Discount on Debtors	700
Discount Allowed	400	Provision for Doubtful Debt	1,200
Carriage Inward	800	Discount Received	800
Wages	10,000	Creditors	12,000
Trade Expenses	5,000	Debentures	7,000
Manufacturing Expenses	15,000	General Reserve	3,500
Salaries	14,000		
Advertisement	14,000		
Income Tax	8,200		
Insurance Premium	1,400		
Return Inward	5,000		
Bad Debts	700		
Carriage Outward	600		
	2,85,900		2,85,900

Additional Information :

a) Closing stock Rs. 40,000.

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- b) Depreciation on Motor 15%, Machinery 5%, Furniture 10%.
 - c) Bad debt written off 1,000
 - d) Prepaid Wages Rs. 1,000
 - e) Provision for discount on debtors 2%
 - f) Outstanding Salary expenses are of Rs. 150 and maintain provision on Bad and doubtful debts @ 5%.
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