

CS/MCA(N)/ODD/SEM-3/MBA-302/2019-20



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

**Paper Code : MBA-302**

**PUID : 03154 ( To be mentioned in the main answer script )**

**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) Which of the following is not a Debt Capital ?
    - a) Debenture
    - b) Long term Loan
    - c) Preference Share Capital
    - d) Loan from Financial institution.
  - ii) 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.

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[ Turn over

- iii) When turnover increases the Fixed cost per unit will
- a) Increases                      b) Decreases  
c) Remain constant              d) None of these.
- iv) The standard current ratio is a manufacturing concern is
- a) Not specified                  b) 1 : 2  
c) 2 : 3                              d) 1 : 1.
- v) Bin Card is maintained by
- a) Purchase Department  
b) Stores Department  
c) Accounts Department  
d) Cost Accounts Department.
- vi) Re-order level is calculating as
- a) Minimum consumption  $\times$  Minimum Re-order Period  
b) Maximum consumption  $\times$  Maximum Re-order Period  
c) Minimum consumption  $\times$  Minimum Re-order Period  
d) Normal Usage  $\times$  Normal Delivery Period.

- vii) The term Inventory is a wide term and generally includes
- a) Finished Goods
  - b) Stock of Raw Materials
  - c) Work in Progress
  - d) All of these.
- viii) When machinery is sold on credit the entry should be passing through
- a) Cash Book
  - b) Sales Day Book
  - c) Journal Proper
  - d) None of these.
- ix) Sales is Rs. 1,80,000, Profit Rs. 20,000, Variable cost 60%, PV ratio will be
- a) 60%
  - b) 80%
  - c) 20%
  - d) 40%.
- x) At BEP
- a) Total Sales = Variable Cost
  - b) Total Sales = Total Cost
  - c) Total Sales = Fixed Cost
  - d) None of these.

xi) Which one of the following is an example of Real Account ?

- a) Cash
- b) Capital
- c) Sales
- d) Purchase.

xii) When material price is rising then materials are priced at

- a) FIFO Method
- b) LIFO Method
- c) Simple average price
- d) all of above.

**GROUP - B**

**( Short Answer Type Questions )**

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

2. Differentiate between Fund flow and Cash flow statement.
3. Explain the features of EOQ.
4. Explain in brief the concept of break-even point.
5. Discuss briefly the Golden Rule in financial accounting.
6. Define transaction. How it differs from an event ?

**GROUP - C****( Long Answer Type Questions )**Answer any *three* of the following.  $3 \times 15 = 45$ 

7. Prepare the Funds Flow statement :

Liabilities	2017 (Rs.)	2018 (Rs.)	Assets	2017 (Rs.)	2018 (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			
<b>Total</b>	<b>2,80,000</b>	<b>3,20,000</b>	<b>Total</b>	<b>2,80,000</b>	<b>3,20,000</b>

*Additional information :*

- (i) During 2018, 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.

8. From the following particulars prepare a cost sheet for the year ended 31.03.2019 :

Item	01.04.2010 (Rs.)	31.03.2011 (Rs.)
Raw Materials	16,000	19,000
W.I.P.	12,600	4,600
Finished goods ( at cost )	16,400	.....
	* (3,000 units)	(2,500 units)

*contuned*

Purchase of raw materials Rs. 1,11,600. Sale of finished goods Rs. 2,83,500 (40,500 units). Productive wages is Rs. 67,200. Office and administrative expenses is Rs. 20,800. Selling and distribution expenses is 50 paise per unit sold. Machine hours worked 8,000 hours and machine-hour rate Rs. 2.50 per hour. Assume sales are made on basis of FIFO principle. Will your answer be if sales are made on LIFO basis ? Show your calculations.

9. From the following particulars prepare the Balance sheet of Sri Mohan Ram :

Current Ratio	2	
Working Capital	Rs. 4,00,000	CA - CL
Capital Block to Current Assets	3 : 2	capital / CA
Fixed Assets to Turnover	1 : 3	
Sales Cash/Credit	1 : 2	
Creditors Velocity	2 months	
Stock Velocity	2 months	
Debtors Velocity	3 months	
Capital Block		
Net Profit 10% of Turnover		
Reserve $2\frac{1}{2}$ % of Turnover		
Debentures/Shares Capital	1 : 2	
Gross Profit Ratio 25% (to sales)		

10. Explain various factors affecting Working Capital. Explain various advantages and disadvantages of Budgetary Control. 7 + 8
11. Draw a Flexible Budget for the level of operation at 70%, 80% and 90%.

**Variable Overheads at 80% capacity :**

Indirect labour Rs. 12,000

Stores and spares Rs. 4,000

**Semi variable overheads at 80% capacity :**

Power (30% fixed) Rs. 20,000

Repair and maintenance at 60% fixed Rs. 2,000

**Fixed overheads at 80% capacity :**

Depreciation Rs. 11,000

Insurance Rs. 3,000

Salaries Rs. 10,000

The estimated direct labour hours is 1,24,000

12. Write notes on any *three* of the following : 3 × 5
- a) Economic Order Quantity (EOQ)
  - b) Cash Budget
  - c) Break Even Point
  - d) Budgetary Control
  - e) Working Capital.