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 :

$10 \times 1 = 10$

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 & Nomi9nal 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 form Mr. X wrongly credited to Mr. Y account is a :

a) Error of Ommission 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 cupital Rs. 4,00,000, Current Ratio 5 : 1,

   Quick Ratio 1 : 1.

   Find and (i) current Assets (ii) current Liabities 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 × 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. 12000 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) Proprietory 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 cest per unit Rs. 40

Sales per unit Rs. 60

Fined cost Rs. 150,000