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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.

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- 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%

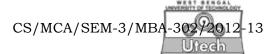
c) 60%

- 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 be

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.

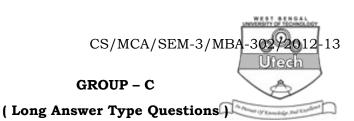
5. XYZ Ltd. a manufacturing company, furnished the following information for the month of Mar' 2012.

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.

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Answer any three of the following.

 $3 \times 15 = 45$

- 7. a) Distinguish between Fund flow Statement and Cash Flow Statement.
 - 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.

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- 8. a) State the limitation of Ratio analysis.
 - 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

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.

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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

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