

Sanjay Ghodawat University, Kolhapur

2017-18

Established as State Private University under Govt. of Maharashtra. Act No XL, 2017

FY BCOM

School of Commerce and Management

Department: Commerce

CBC 103

Management Accounting

Semester – Odd (I)

26 Dec 2017

Re- End Semester Examination

Time: 3 hrs, Max Marks: 100

Instructions:

- 1) All Questions are compulsory.
- 2) Use of Simple Calculator is allowed.
- 3) Working notes are part of Answer.
- 4) Make necessary assumptions wherever necessary and mention it by way of notes.

Q.1

Marks COs

- a) State whether the following statement is True or False (Any 5) 2x5=10
- | | | |
|---|---|---------|
| i. In all types of organizations, business is an accounting entity that separates from the owners. | 2 | CO103.1 |
| ii. Realization of Revenue occurs at the time of exchange of goods or services. | 2 | CO103.1 |
| iii. The Capital account is classified as Real Account | 2 | CO103.1 |
| iv. The format of Financial Statements for Company organization is prescribed in Company's Act 2013 (Amended) | 2 | CO103.2 |
| v. The purpose of analysis of financial statement is to identify reasons for change in financial positions of firm. | 2 | CO103.2 |
| vi. Net Profit ratio is expressed in times. | 2 | CO103.2 |
- b) Answer the short questions (any 5) 2x5=10
- | | | |
|--|---|---------|
| i. State the objectives of budgetary control | 2 | CO103.3 |
| ii. State the different types of functional budget | 2 | CO103.3 |
| iii. What is breakeven point? | 2 | CO103.3 |
| iv. Define Responsibility Accounting. | 2 | CO103.4 |
| v. Define investment centre. | 2 | CO103.4 |
| vi. Expand NOPAT | 2 | CO103.4 |

Q.2

Solve/answer any Two

2x10=20

- | | | |
|---|----|---------|
| a) What is Management Accounting? Explain the nature of Management Accounting. | 10 | CO103.1 |
| b) Elucidate the importance of management accounting. | 10 | CO103.1 |
| c) Explain the difference between Management Accounting and Financial Accounting. | 10 | CO103.1 |

Q.3 Solve/answer any Two

2x10=20

- a) Pass Ledger entries for the following transactions for the month of April 2017

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CO103.2

- i. Started business with Premises of Rs.50,00,000; Machinery Rs.250,000; Cash at Bank of Rs.500,000 and Furniture Rs.60,000. For which a loan of Rs.300,000 is taken from bank. Remaining assets should be considered as capital
- ii. Material purchased of Rs.100,000 by cheque.
- iii. Material purchased on credit from Mr. Nikhil of Rs. 250,000
- iv. Cash withdrawn from bank Rs. 1,00,000
- v. Amount paid to Mr Nikhil Rs1,80,000 and agreed for Bill for remaining balance

- b) Sudhakar LTD has provided Trial Balance as at 31.03.2017, Prepare Statement of Profit and Loss and Balance Sheet for the same

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CO103.2

Trial Balance Sheet as at 31.03.2017

Debit Balance	Amount Rs.	Credit Balance	Amount Rs.
Land and Building	3500000	Share Capital 25,000 share of Rs. 100 each Authorized Capital 4000,000	2500,000
Plant and Machinery	500000	Share Premium	500,000
Patents	300000	Debentures	800,000
Sundry Debtors	500000	Loan From Bank (repayable within 3 months)	200,000
Opening Stock of Material	100000	Sundry Creditors	100,000
Purchases of Material	800000	Bills Payable	50,000
Salaries to employees	48000	Profit and Loss Opening Balance	150,000
Depreciation	12000	Sales	2000,000
Interest to Debentures	80000		
Furniture	460,000		
TOTAL	63,00,000	TOTAL	63,00,000

- c) Mr. Z is interested to know liquidity and profitability for his own organization. Guide him for analyzing financial statements

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CO103.2

Q.4 Solve/answer any Two

2x10=20

- a) Prepare Cash Budget for the three months i.e. Jan 2018 to March 2018 and Estimate cash balance available at the end of month. 10 CO103.3

Month	Sales	Purchases	Salaries	Manufacturing Expenses
NOV	15,00,000	12,00,000	1,00,000	50,000
DEC	13,00,000	12,00,000	1,00,000	50,000
JAN	14,00,000	12,50,000	1,20,000	50,000
FEB	14,00,000	12,00,000	1,20,000	55,000
MAR	15,00,000	13,00,000	1,50,000	55,000

Additional Information:

1. The customers are allowed a credit period of 1 month
2. Creditors have allowed us payment period for 2 months.
3. Salaries are paid in next month.
4. Other expenses are paid in the same month.
5. Loan Installments are paid of Rs.50,000 in the month of February and onwards.
6. Cash balance at the beginning of the month January 2017 is Rs.15,00,000 only

- b) Calculate Break Even Point and Margin of Safety for the following 10 CO103.3

Sales Rs.15,00,000 after selling 500 units for the month March 2017

Material Consumed:

A: 2500 units of Rs.100 each

B: 5000 units of Rs.50 each

Labour hours

For each unit of Production 5 skilled labour hours and 3 semi skilled labour hours are were required. The wage rate for skilled labour is Rs100 per hour and Rs.80 for semi skilled labour.

Direct Expenses

Expenses worth Rs.50000 were made for production

Fixed Cost:

Factory Rent: Rs.50,000 for the month

Depreciation for the machinery Rs.2,40,000 for the year

- c) A company manufactures three products. The budgeted quantity selling prices and unit costs are as under:

10 CO103.3

	A	B	C
			R
Raw Material @ Rs20 per kg.	8kg	4kg	2kg
Direct Wages @ Rs.5 per hour	5hrs	15Hrs	10Hrs
Variable Overheads (Rs per unit)	10	30	20
Fixed Overheads (Rs per unit)	9	22	18
Budgeted Production in units	6400	3200	2400
Selling Price Per unit in Rs	340	320	190

Present a statement of Budgeted Profit under Marginal Costing

Q.5 Solve/answer the following

2x10=20

- a) Write a Note on Responsibility accounting
- b) What is Divisional Performance Management? Explain its Financial Measures.

10 CO103.4

10 CO103.4

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