

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)

30 NOV 2017

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.

	Marks	COs
Q.1 Answer the following		
a) State whether the following statement is True or False (Any 5)	2x5=10	
i. Management Accounting is application of Financial as well cost accounting principles	2	CO103.1
ii. Standard Costing is technique of Management Accounting.	2	CO103.1
iii. Goodwill A/c is Personal account.	2	CO103.1
iv. Profit and Loss statement is for the Point of time and not for the period.	2	CO103.2
v. Average Collection period is calculated on basis of creditors turnover ratio	2	CO103.2
vi. Current ratio is calculated for analyzing liquidity of organization	2	CO103.2
b) Answer the short questions (any 5)	2x5=10	
i. What do you mean by Marginal Costing?	2	CO103.3
ii. State any two importance of Budgetary Control	2	CO103.3
iii. What do you mean by Break Even Point?	2	CO103.3
iv. What does Economic Value Added refer to?	2	CO103.4
v. Give an Example of Responsibility Accounting	2	CO103.4
vi. Expand NOPAT	2	CO103.4
Q.2 Answer any Two	2x10=20	
a) What is Management Accounting? Explain scope of Management Accounting.	10	CO103.1
b) Explain the difference between Management Accounting and Financial Accounting.	10	CO103.1
c) Explicate how accounting information can be used by managers for decision making.	10	CO103.1

Q.3 Solve/answer any Two

2x10=20

- a) Mr. Nirmal has the following transactions in the month of April.2017

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CO103

Write Journal Entries for the transactions.

10th April : Commenced business with a capital of 1,00,000

11th April : Purchased goods from Veeru for 20,000

13th April : Purchased Goods for Cash 15,000

14th April : Purchased Goods from Abhiram for cash 9,000

16th April : Bought Goods from Shyam on credit 12,000

17th April : Sold goods worth 15,000 to Tarun

19th April : Sold goods for cash 20,000

20th April : Sold goods to Utsav for cash 6,000

- b) Prepare Balance Sheet for the following balances of Ram Ltd. for March 2017

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CO103.

Trial Balance as at 31.03.2017

Debit Balance	Amount Rs.	Credit Balance	Amount Rs
Building	8,00,000	Share Capital 10000 shares of Rs.100 each	10,00,000
Machinery	2,00,000	Shares Forfeited	10,000
Furniture	1,00,000	Reserves and Surplus	5,00,000
Patents	5,00,000	Profit and Loss Account (including current year profit)	2,00,000
Investments in shares of GURU Ltd.	20,000	Bills Payable	50,000
Bills Receivable	1,80,000	Sundry Creditors	2,40,000
Sundry Debtors	4,00,000	Loan from Bank (Long Term)	3,00,000
		Bank overdraft	1,00,000
TOTAL	24,00,000	TOTAL	24,00,000

c) Calculate Profitability Ratio for the following data

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Particulars		Amount Rs.
INCOME		
- Sales		60,00,000
EXPENSES		
- Cost of Material Consumed	25,00,000	
- Goods Transportation	3,00,000	
- Wages	7,00,000	35,00,000
Gross Profit		?
Operating Expenses		
- Salaries	4,00,000	
- Electricity Bill	3,00,000	
- Depreciation	2,00,000	
- Advertisement	1,25,000	
- Insurance Payment	75,000	11,00,000
Non Operating Expenses		1,00,000
NET PROFIT		?

Q.4 Solve/answer any Two

2x10=20

- a) Calculate Break Even Point and Margin of Safety for the following
Sales Rs.15,00,000 after selling 500 units for the month March 2017

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CO103.3

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 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

- b) What is Zero Base Budget? Compare it with Cash Budget.

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CO103.3

- c) Prepare Material Budget for the following details

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CO103.3

Final Products	X	Y
Estimated Production	400 units	200 units
Material Required per unit		
A	2 kg	4 kg
B	3 kg	5 kg
C	1 kg	2 kg

Raw material A and B will be purchased from outside and Material C will be manufactured in factory by processing 2.5 kgs of Material B to produce 1 kg of C

Raw Material	A	B
Opening Stock	600 kg	800 kg
Closing Stock	200 kg	300 kg

Q.5 Answer the following

2x10=20

- a) Write a note on Responsibility Accounting
- b) Explain the Financial Measures for Divisional Performance Management

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CO103.4

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CO103.4
