

Enrollment No: _____

Exam Seat No: _____

C.U.SHAH UNIVERSITY

Summer Examination-2016

Subject Name : Management Accounting

Subject Code : 4MS06MAT1

Branch: BBA/MAM

Semester : 6

Date : 11/05/2016

Time : 02:30 To 05:30

Marks : 70

Instructions:

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
 - (2) Instructions written on main answer book are strictly to be obeyed.
 - (3) Draw neat diagrams and figures (if necessary) at right places.
 - (4) Assume suitable data if needed.
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Q-1	Attempt the following questions:	(14)
	a) Define management accounting.	01
	b) State any two differences between cost accounting and management accounting.	01
	c) To whom management accountant submits reports?	01
	d) What is the formula of margin of safety?	01
	e) What is meant by key factor?	01
	f) What is the meaning of marginal costing?	01
	g) What is meant by opportunity cost?	01
	h) Name any two applications of decision making.	01
	i) State the meaning of flexible budget.	01
	j) What is meant by semi variable cost?	01
	k) Name any three types of budget.	01
	l) What is standard cost?	01
	m) State the meaning of fund.	01
	n) Write the full forms of SQ and SP.	01

Attempt any four questions from Q-2 to Q-8

Q-2	Attempt all questions	(14)
A	State the characteristics of management account and state its objectives.	07
B	Describe the functions of management accounting.	07
Q-3	Attempt all questions	(14)
A	Write the advantages and limitations of marginal costing.	07
B	Explain the applications of decision making.	07



- Q-4** **Attempt all questions** (14)
A Write a note on types of budget. 07
B Write the differences between fixed budget and flexible budget. 07

- Q-5** **Attempt all questions** (14)
A Explain the characteristics of standard costing. 07
B Prepare statement showing change in working capital with imaginary figures. 07

- Q-6** **Attempt all questions** (14)
A Below is the detail of X company. 07

Fixed expenses	Rs. 1,50,000
Variable cost	Per unit Rs. 9
Selling price	Per unit Rs. 15

Find contribution per unit, PV ratio, BEP (Units), BEP(Rs.), Sales in units to earn profit of Rs.60,000 and profit at sale of Rs. 6,00,000.

- B** From below given information find ideal product mix when material is a key factor. Total available material is 16,000 Kg. 07

Particulars	Product A (Rs.)	Product B (Rs.)
Selling price per unit	25	30
Material per unit (Rs.2 per Kg)	10	12
Direct wages per unit	5	6
Variable cost per unit	3	4
Maximum units can be produced	2000	2000

- Q-7** **Attempt all questions** (14)
A XYZ Ltd. wants to produce 10,000 units of a product. The cost of which is as under : 07

Particulars	Amount (Rs.)
Material per unit	50
Direct wages per unit	30
Variable expense per unit	20
Fixed expense per unit	40
Total cost	140

Company has idle capacity to produce this product. This product is available in the market at Rs. 120 per unit. Guide whether to produce or purchase from the market. Show necessary calculations.

- B** From the below given information of ABC Ltd. of 10,000 units, prepare flexible budget for 8000, 12,000 and 15,000 units. 07



Particulars	Amount (Rs.)
Material	50,000
Direct wages	80,000
Factory overhead (60 % variable)	1,20,000
Administrative overhead (80 % fixed)	60,000
Selling and distribution overhead (40 % variable)	1,40,000
Total cost	4,50,000
Profit	1,50,000
Sales	6,00,000

Q-8

Attempt all questions

(14)

A

Below is the usage of standard material for producing one unit.

07

Product	Percentage (%)	Amount (per unit)
A	40	Rs. 4.50
B	60	Rs. 4.50

There is a shortage of 10 % in production. Actual units produced are 1800.

Below is the actual material used.

Product	Quantity	Amount (per unit)
A	900	Rs. 4
B	1300	Rs. 5

Calculate all material variances.

B

State seven items to be included in both adjusted profit and loss account, and fund flow statement.

07

