

# C.U.SHAH UNIVERSITY

## Summer Examination-2017

**Subject Name : Management Accounting-I**

**Subject Code : 4CO05MAC1**

**Branch: B.Com (English)**

**Semester : 5**

**Date : 20/03/2017**

**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.

Q-1 Attempt following questions: [14]

1. Selling Price – Fixed Expenses = \_\_\_\_\_.
2. What does issue of bonus shares effect on “Fund” ?
3. Ideal ratio of liquid ratio is \_\_\_\_\_.
4. Write the formula of debtors ratio.
5. Find provision for current year by preparing general reserve account opening balance = 10,000 closing balance = 18000 bonus share = 32000
6. While preparing fund flow statement where loss on sale of fixed asset is shown ?
7. Find out Break – Even – Point (In units) Total fixed expenses = 4000 Variable expense per unit = Rs. 5 selling price per unit = Rs.10
8. Write the formula of net working capital.
9. **Find out creditor’s ratio :-**  
Creditors = 70,000 – Bills payable – 20,000 credit purchase = 5,40,000 days of the year = 360
10. Write one disadvantage of marginal costing.
11. Write formula of any one profitability ratio.
12. Write one utility of Fund – Flow – Statement.
13. Write one disadvantage of financial accounting – system.
14. Write the formula of Profit / Volume ratio.

**Attempt any four from Q-2 to Q-8:**

- Q-2 (A) State the objectives of Management Accounting system [07]  
(B) Discuss the limitations of Management Accounting system. [07]

- Q-3 (A) **Prepare Fund Flow Statement :-** [09]



Increase in share capital = 1,00,000 ,Payment of taxes = 90,000, Adjusted profit = 2,70,800, Purchase of Fixed Asset = 2,14,000, Sale of investment = 30,000, Redemption of debentures = 61,800, sale of fixed asset = 25,000 ,Dividend paid = 26,000, Increase in working capital = 34,000

(B) Prepare specimen of Adjusted profit and loss A/c. [05]

Q-4 (A) Explain the utilities of accounting ratios. [07]

(B) Discuss the limitations of accounting ratios. [07]

Q-5 (A) Explain the factors affecting the decision “ Buy or Make” [07]

(B) Explain “ Key Factor” [07]

Q-6 The following information of A Ltd is available. :- [14]

Year	Sale	Profit
2015	1,00,000	10,000
2016	1,20,000	14,000

- (1) Profit / Volume ratio
- (2) Profit when sale is 90,000
- (3) Sale to earn profit of Rs. 20,000
- (4) Break – Even – Point.

Q-7 (A) Following information is available from the books of X Ltd. [10]

Annual Fixed Expenses = Rs. 10,000

	Product A	Product B
Direct Labour (50 Paise per Hour)	20 Hours	30 Hours
Direct Material (Per Unit)	Rs. 20	Rs. 25
Selling Price (Per Unit)	Rs. 60	Rs. 100

Find suitable alternative :-



(1) To produce 900 Units of A only.

(2) To produce 600 Units of B only.

(B) Explain about “ Differential Costing” [04]

Q-8 (A) Write Short notes (Any two) [10]

(1) Net profit ratio.

(2) Opportunity cost

(3) Margin of safety

(4) Utility of Marginal costing.

(B) Give difference :- [04]

Management accounting system and Financial accounting system.

