

Enrollment No: _____ Exam Seat No: _____

C.U.SHAH UNIVERSITY

Summer Examination-2017

Subject Name: Management Accounting

Subject Code: 4MS06MAT1

Branch: BBA

Semester: 6

Date: 20/04/2017

Time: 10:30 To 01:30

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 the following questions:	(14)
	a) State the role of management accountant in brief	1
	b) State any two tools of management accounting	1
	c) State any two functions of management accounting	1
	d) What is the meaning of breakeven point?	1
	e) If selling price per unit is Rs. 15 and contribution per unit is Rs. 2 find out variable cost per unit.	1
	f) If selling price per unit is Rs. 15 and variable cost per unit is Rs. 9 find out P.V. ratio	1
	g) What is meant by key factor?	1
	h) If sales is Rs. 100000 and margin of safety is Rs. 20000 find out BEP	1
	i) State any three types of budget	1
	j) State any two advantages of budgetary control	1
	k) What is meant by standard?	1
	l) State any two types of variances	1
	m) State any two types of statement to be prepared in fund flow statement	1
	n) State the meaning of fund	1

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

Q-2	Attempt all questions	(14)
	a. State the advantages and limitations of management accounting	7
	b. State the difference between financial accounting and management accounting	7
Q-3	Attempt all questions	(14)
	a. State the assumptions in marginal costing	7
	b. Short note : Application of decision making in different situations	7
Q-4	Attempt all questions	(14)
	a. Explain the procedure of budgetary control system	7
	b. State the meaning and significance of standard costing	7



Q-5**Attempt all questions****(14)**

- a. If selling price per unit is Rs. 20, variable cost per unit is Rs. 12 and fixed cost is Rs.80000 find out (1)BEP in units and amount(2) sales to earn profit of Rs. 40000(3) profit at a sale of 14000 units. **7**
- b. A company has two plants I & II working at 100% & 75% capacity. **7**

Particulars	Plant I(In Lakhs)	Plant II(In Lakhs)
Sales	200	150
Variable cost	140	108
Fixed cost	30	28

Find out:

- Breakeven point of the merged plant
- The profit at 85 % of the merged capacity
- Sales required for merged plant to earn profit of 25 lakh.

Q-6**Attempt all questions****(14)**

Prepare Cash budget for the period April to June 2016.

- Opening cash balance 300000.
- Month wise Sales, Purchase, Wages & Other expenses are as under.

Month	Sales	Purchase	Wages	Other exp.
Feb.	250000	120000	12000	7000
March	320000	210000	15000	9000
April	460000	280000	18000	6000
May	330000	300000	16000	8000
June	280000	240000	17000	6000
July	240000	150000	22000	10000

- Among total sales 30% is cash sale. Out of credit sales 50% received in next month 40% in second next month & balance in the third next month.
- Material is brought before the month of sales and paid after 2 months of purchase.
- Time lag for wages is 1/4th month and for other exp. It is 1/8th month.
- Taxes to be paid in June 35000



Q-7**Attempt all questions****(14)****a**

A company produces two products A and B

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Particulars	A	B
Direct material (@Rs. 2 per Kg.)	Rs. 24	Rs.14
Direct labour	Rs. 38	Rs.30
Variable overhead (% of labour cost)	150%	250%
Selling price per unit	150	200

b

Which product would you recommend if material is a limiting factor
 X company is producing 10000 units prepare flexible budget at 8000 & 12,000 units from the below information.

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Particular	Total amount (RS.)
Direct Material	12,000
Direct Labour	8,000
Factory Overhead (30% Fixed)	6,000
Administrative Overhead (Fixed)	3,000
Selling & Distribution overhead (60% Variable)	9,000

Find out profit or loss at each capacity if sales at different level is respectively Rs.48, 000, Rs.35, 000 & Rs.58, 000 respectively.

Q-8**Attempt all questions****(14)****a.**

Prepare statement showing change in working capital from below data

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Particulars	2015	2016
Creditors	21000	11200
Debtors	32000	41300
Bills payable	13000	12300
Bills receivable	13500	14400
Stock	44500	55400
Cash	25500	12500
Bank overdraft	62500	52700
Provision for tax	23000	31300
Prepaid expenses	13500	11100
Proposed dividend	31500	44000

b.

Calculate various material variances from below information

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Material	SQ	SP	AQ	AP
A	250	4	280	4.50
B	350	5	340	5.20
Total	600		620	

