

Enrollment No: _____

Exam Seat No: _____

C.U.SHAH UNIVERSITY

Summer Examination-2018

Subject Name : Management Accountancy – II

Subject Code : 4C006MACI Branch : B.COMSemester : _____ Marks : 70**Instructions:**

- (1) Use of programmable calculator & any other electronic instrument is prohibited.
- (2) Instruction 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.

Question-1 (Compulsory)Q-1

[14]

1. What does (+) Net present Value indicates ?
2. Write the formula of Net Present Value method.
3. Find out " Sale of Investment" by preparing Investment A/c
Opening Balance : 10,000, Closing Balance 15,000, Purchase 18,000.
4. If Current liabilities increase, cash flow will _____.
5. To whom, the report of collection from debtors with budgeted figures should be submitted?
6. When special report is prepared ? (Give one example)
7. The budget prepared for different levels is called _____ budget.
8. In cash flow statements which three sources of cash incomes / expenses are classified?
9. Give one example of cash received from financial activities.
10. Give one difference of fixed – expense & Variable expense.
11. The labour for first two months is Rs. 6,000 and Rs. 10,000 respectively. The time lag for payment is $\frac{1}{4}$ month Find out labour paid in second month.
12. Find out total expense at 90% production :-

<u>Capacity</u>	<u>Total Expense</u>
30%	1,00,000
70%	1,60,000
13. Is "Goodwill written off" shown in cash budget ?
14. Original Investment = Rs. 5,00,000 Annual Cash Flow Year – I 2,00,000, II - 2,00,000, III – 3,00,000, IV – 3,00,000 Find out pay back period.

ATTEMPT ANY 4 Questions FROM Q-2 TO Q-8**Q-2**

- (A) Find out net cash flow from business operations :- [10]
 Profit & Loss A/c Opening balance (Cr) 32,000, Closing balance (Cr) 70,000
 Depreciation written off 5,000 Preliminary Expenses 2,000 Tax provision 16,000
 Dividend 9,000 Profit on sale of land 1,000 Increase in debtors 20,000 Increase in
 creditors 46,000 Increase in stock 5,000 Tax Paid 15,000
- (B) Give 4 Examples of cash flow from investment activities [04]

Q-3 Prepare cash budget for 3 months starting from 1st June [14]

Month	Sales	Purchase	Wages	Factory Expenses	Admin. & Selling Exp.
April	80,000	41,000	5,600	3,900	10,000
May	76,500	40,500	5,400	4,200	14,000
June	78,500	38,500	5,400	5,100	15,000
July	90,000	37,000	4,800	5,100	17,000
August	95,500	35,000	4,700	6,000	13,000

Selling Commission at 5% on sale is payable after two months of sales A machine costing Rs. 65,000 is to be purchased on cash basis in August A dividend of Rs. 15,000 will be payable in July Credit allowed to customers and received from suppliers is two months.

Bank balance as on 1/6 is Rs. 1,00,000

Q-4 (A) Considering the following information which project will be more profitable by net present value method ? [10]

	Project A	Project B
Investment	Rs. 50,000	Rs. 50,000
Cash Flow (Rs)		
Year – 1	15,000	5,000
Year – 2	20,000	15,000
Year – 3	25,000	20,000
Year – 4	15,000	30,000
Year – 5	10,000	20,000

The discount factor at 10% :

Year	1	2	3	s4	5
	0.9091	0.8265	0.7513	0.6830	0.6209

(B) Write short note :- [04]
 Present Value

- Q-5 (A) Discuss the essentials of a good report [07]
(B) Explain the difference between routine report and special report. [07]
- Q-6 (A) Explain the advantages of "Budgetary Control" [07]
(B) Explain the limitations of "Budgetary Control" [07]
- Q-7 (A) Write about any one of the following (1) Pay back period method (2) Method of average rate of return. [07]
(B) Explain : Fixed Expense – Variable Expense and Semi – Variable Expense. [07]
- Q-8 (A) Explain the advantages of cash budget [07]
(B) Find out amount of "Bonus Share" by Preparing "General Reserve A/c" [07]
Opening balance – 10,000 Provision from P&L A/c 40,000 Closing balance 25,000