Enrollment No:	Exam Seat No:
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C.U. SHAH UNIVERSITY

Summer Examination-2019

Subject Name: Management Accounting II

Subject Code: 4CO06MAC2 Branch: B.Com (English)

Semester: 6 Date: 16/04/2019 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)	Name any two investing activity	1
	b)	State two methods for cash flow statement	1
	c)	Name any two items in financing activity	1
	d)	If purchase of January is to be paid after two months, in which month the amount is payable?	1
	e)	If machine is purchased for Rs.1,50,000 in March with a condition 20% payment on delivery, how much amount will be payable in March?	1
	f)	If @ 60% 9000 units are produced how much units can be produced @ 80%?	1
	g)	Name any three types of budget	1
	h)	State any one difference between fixed & variable expense	1
	i)	What is the meaning of cash & cash flow?	1
	j)	Name any two balance sheet ratios	1
	k)	If gross profit is Rs. 50,000 and cost of goods sold is Rs.2,00,000, find out sales	1
	l)	If current ratio is 3:1 and current liabilities is Rs.15,000, find out current assets	1
	m)	If projected opening cash balance, receipt & payment of January is Rs. 10,000, Rs. 50,000 and Rs. 80,000 respectively find out projected closing balance of January	1
	n)	What we get if we deduct stock from current assets?	1
Atten	npt any	four questions from Q-2 to Q-8	
Q-2		Attempt all questions	(14)
	a	Discuss utility of flexible budgeting	7
	b	X company is producing 10,000 units prepare flexible budget at 6,000 & 8,000 units from given current information.	7



Particular	Per Unit (Rs)
Direct Material	10
Direct Labour	18
Factory Overhead (20% Fixed)	16
Administrative Overhead (Fixed)	12
Selling & Distribution overhead (60% Variable)	14

Find out profit or loss at each capacity if selling price per unit is Rs.80 at all level of capacity

Q-3 Attempt all questions

(14)

a State limitations of budgetary control

7

b Prepare Cash budget for the period April to June 2018.

7

- 1. Opening cash balance 200000.
- 2. Month wise Sales, Purchase, Wages & Other expenses are as under.

Month	Sales	Purchase	Wages	Overheads
March	320000	220000	16000	8000
April	430000	270000	18000	10000
May	320000	310000	17000	12000
June	230000	200000	14000	10000

- 3. Time lag in payment of wages is ½ month and overhead is ¼ month.
- 4. Dividend of Rs.25000 to be received in May,2018.

Q-4		Attempt all questions (1			(14)
	a	Discuss the importance of ratio analysis			7
	b	Give any five formulas of ratios related to profit & loss account			7
Q-5		Attempt all questions ((14)
	a	Capital employed Rs.9,00,000,8% debenture Rs. 1,00,000, 6% preference share capital Rs. 2,00,000, EBT(PBT) Rs.2,50,000, Income tax rate 50%. Calculate return on capital employed, return on shareholder's fund & return on equity share holder fund.			7
	b				7
Q-6		1			(14)
	a	State the advantages & limitations in preparing cash budget			7
	b	Discuss accounting standard 3 in brief			7
Q-7		Attempt all questions (1			(14)
		A factory having total annual production capacity of 40,000 units			14
		estimates its production cost at 40% and 60% capacity as under			
		Particulars	40% Capacity	60% Capacity	
		Direct Material	400000	600000	
		Direct wages 240000 360000			



Direct Expenses	160000	240000
Semi Variable Exp:		
Factory Exp.	700000	800000
Administrative Exp.	520000	580000
Selling Exp.	280000	320000
Total Fixed Exp.	600000	600000
Profit/(loss)	(100000)	700000

Prepare flexible budget at 50%,75% and 90% production capacity and find profit at each level.

Q-8 Attempt all questions

(14) 7

Below is the balance sheet of Mr. X a

Particulars	1-4-17 (Rs.)	31-3-18 (Rs.)
Assets		
Cash	10000	7000
Debtors	30000	50000
Stock	35000	25000
Machinery	80000	55000
Land	40000	50000
building	35000	60000
Total	230000	247000
Liabilities		
Creditors	40000	44000
Mrs. X Loan	25000	-
Loan from bank	40000	50000
Capital	125000	153000
Total	230000	247000

During the year a machine costing Rs.10000(accumulated depreciation Rs.3000) was sold for Rs.5000. The balance of provision for depreciation against machinery as on 1st April ,17 was Rs.25000 and on 31st March ,18 Rs.40000.Net profit before tax for the year 2017-18 amounted to Rs. 49000.Rs.4000 tax was paid during the year.

You are required to prepare Cash flow statement

Discuss the utility of cash flow statement b

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