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SEAT No. :

[Total No. of Pages : 7

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M.B.A.

**MANAGERIAL ACCOUNTING (101)**

**(2019 Pattern)**

**Time : 2½ Hours]**

**[Max. Marks : 50**

**Instructions to the candidates :**

- 1) All questions are compulsory.
- 2) All questions are carry equal marks.

**Q1) Solve any five :**

- A) I) Enumerate the accruals.
- B) I) Percentage on \_\_\_\_\_ is NOT a method of calculating (allocating) Overhead Cost.
  - a) Prime Cost
  - b) Direct Labour Cost
  - c) Indirect Labour Cost
  - d) Direct Material Cost
- II) \_\_\_\_\_ cost helps in taking 'make or buy' decision.
  - a) Marginal cost
  - b) Standard cost
  - c) Sunk cost
  - d) Differential cost
- C) I) Explain the difference between accounts payable and accounts receivable.
- D) I) Final accounts does NOT include :
  - a) Trading Account
  - b) Balance Sheet
  - c) Trial Balance
  - d) Profit & Loss Account
- II) Excess of Gross Profit and other incomes over operating & non-operating expenses is known as \_\_\_\_\_ and excess of cost of goods sold over sales gives \_\_\_\_\_.
  - a) Gross Profit, Net Loss
  - b) Net Profit, Gross Loss
  - c) Gross Loss, Gross Loss
  - d) Net Loss, Net Loss

**P.T.O.**

- E) I) In a product mix decision, which is the most important factor to consider in order to try to maximize profit?

- a) product unit selling price
- b) contribution per unit of a scarce resource used to make the product
- c) variable cost per unit of the product
- d) contribution per unit of the product

- F) I) What is double entry system?

- II) State the difference between Real A/c and Nominal A/c

- G) I) The main objective of budgetary control is \_\_\_\_\_.

- a) To define the goal of the firm
- b) To coordinate different departments
- c) To plan to achieve its goals
- d) All of the above

- II) \_\_\_\_\_ is a detailed budget of cash receipts and cash expenditure incorporating both revenue and capital items.

- a) Cash Budget
- b) Capital Expenditure Budget
- c) Sales Budget
- d) Overhead Budget

- H) I) Divali advance given to an employee is \_\_\_\_\_.

- a) Revenue Expenditure
- b) Capital Expenditure
- c) Deferred Revenue Expenditure
- d) Not an Expenditure

- II) The process of recording financial data upto trial balance is

- a) Book keeping
- b) Classifying
- c) Summarising
- d) Analyzing

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**Q2)** Solve any two :

- Why is ledger known as the primary book or the principal-book of accounts? Can profit of the business a financial position be known without maintaining ledger?
- Explain any five forms of business organization.
- You have been asked to install a costing system in a manufacturing company. Outline any five main considerations to be kept introducing a costing system?

**Q3)** Solve any one.

- From the following Trial balance of Ajanta co, as on 31<sup>st</sup> March 2019, Prepare Trading Account and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2019 and a Balance Sheet as on that date

Trial Balance as on 31 <sup>st</sup> March 2019				
Dr	Particulars	Amount	Cr	
	Particulars	Amount	Amount	
	Stock as on 1.4.2018	52,000	Capital Account	2,00,000
	Wages	16,000	Sales	1,90,000
	Purchases	1,10,000	Returns Outwards	2,000
	Plant and Machinery	1,00,000	Sundry Creditors	55,000
	Rent, Rates and Taxes	1,000	Bills payables	19,500
	Debtors	50,000	Interest earned	1,500
	Carriage Outward	4,000	Commission Received	1,000
	Cash at hand	2,500		
	Drawings	6,000		
	Business Premises	45,000		
	Cash at Bank	15,000		
	Bad Debts	1,000		
	Salaries	10,000		
	Investments	55,000		
	Legal Charges	1,500		
		4,69,000		4,69,000

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**Adjustments :**

- The stock as on 31<sup>st</sup> March, 2019 was valued at Rs 32400 @market Price and Rs 35000 @ cost Price
- Create a Reserve for Bad and Doubtful Debts @5% on Debtors
- Depreciate Business Premise and Plant and Machinery @10% p.a
- From the following information of Mahi & Co. Ltd. for the year 2012, you are required to construct: (a) Prime Cost (b) Work Cost (c) Cost of Profit Goods Sold and (e) Net Profit

Particulars	Rs.
Stock of raw materials (1.1.2012)	1,00,000
Purchase of raw materials	2,20,000
Stock of raw materials (31.12.2012)	1,30,000
Carriage inward	60,000
Direct Wages	2,00,000
Indirect Wages	70,000
Other Direct charges	80,000
Office rent and rates	51,000
Factory rent and rates	60,000
Ondirect consumption of materials	51,000
Depreciation of plant	53,000
Depreciation on office furniture	50,200
Salesmen salary	54,000
Salary to office supervisor	55,000
Other factory expenses	61,400
Other office expenses	51,800
<b>General Manager's remuneration:</b>	
Office	54,000
Factory	58,000
Selling Dept.	62,000
Other selling expenses	52,000
Travelling expenses of salesmen	52,200
Carriage and Freight outward	52,000
Sales	10,00,000
Advertisement	54,000

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**Q4)** Solve any one.

A) The turnover and profits of Rajat Ltd. during two periods are as follows :

Period	Sales (Rs.)	Profit/Loss (Rs.)
I	14,000 units	20,000 (Loss)
II	18,000 units	20,000 (Profit)

The selling price is Rs. 100 per unit

You are directed by the management of Rajat Ltd. to analyse above data to find out the following :

- P/V Ratio
- Fixed Cost
- Break-even Point (Rs.)
- Sales to earn profit of Rs. 80,000

B) The sales turnover and profit during two years were as follows :

Year	Sales (Rs.)	Profit (Rs.)
2016	1,30,000	10,000
2017	1,50,000	15,000

You are directed by the management to analyse the above data to find out the following :

- P/V ratio
- Break-even point
- Sales required to earn a profit of Rs. 25,000
- Profit when sales are Rs. 1,10,000
- Margin of safety in the year 2016.

**Q5)** Solve any one.

A) KPM Pvt. Ltd., Karad manufactures certain products. The cost data relating to a standard product for September 2018 are given below.

Raw Standard Cost Data		
Material	Qty.	Price (Rs.)
P1	500	6
K2	400	3.75
M3	300	3
	<b>1200</b>	

Less. Normal Loss

@ 10%

**1080**

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**Raw Actual Cost Data**

Material	Qty.	Price (Rs.)	Total
P1	400	6	2400
K2	500	3.6	1800
M3	400	2.8	1120

**1300**

Less. Actual Loss

**220**

**1080**

**5320**

You are required to evaluate the cost data given above and find out the following material variances -

- Material Cost Variance
- Material Price Variance
- Material Usage Variance
- Material Mix Variance
- Material Yield Variance

Also verify the results.

B) Intel Co. Ltd., Indapur is appointed you as Finance Executive and wishes to evaluate and prepare cash budget March for the last four months from the following estimated revenue and expenses and submit to the Manager

Month	Total Sales	Purchase	wages	Production Overheads	Selling & Distribution Overheads
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
January	20,000	20,000	4,000	3,200	800
February	22,000	14,000	4,400	3,300	900
March	28,000	14,000	4,600	3,400	900
April	36,000	22,000	4,600	3,500	1,000
May	30,000	20,000	4,000	3,200	900
June	40,000	25,000	5,000	3,600	1,200

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Cash balance on 1<sup>st</sup> March was Rs. 50,000.

Period of credit allowed by suppliers - 2 months

Period of credit allowed by customers - 1 months

Delay in payment of wages & overheads 1 month.

Assume total sales is credit sales.

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