



**K. K. Wagh Institute of Engineering Education & Research, Nashik**  
(An Autonomous Institute From A.Y. 2022-23)

	SUMMER-2023		
	Exam Seat No.:		
	Academic Year:2022-2023	Semester:I	
	Name of Programme:MBA	Pattern:2022	
	Name of Course:Accounting for Managers	Course Code:MBA22 1 04	
	Max. Marks:60	Duration:2.30	

**Instructions:** Candidates should read carefully the instructions printed on the Question Paper and on the cover page of the Answer Book, which is provided for their use.

1. This question paper contains 7 page(s).
2. Answer to each new question is to be started on a new page.
3. Assume suitable data wherever required, but justify it.
4. Draw the neat labelled diagrams, wherever necessary.
5. The last columns indicates the Course Outcome and level of Blooms Taxonomy of the Question/sub-question
6. Solve any one out of (a) or (b) AND (c) or (d)

**Question No. 1 Attempt following Question**

Identify the difference between financial accounting and cost accounting. (6)

**Question No. 2 Attempt following Question**

Illustrate the following information prepare Trading Account of Sangita Traders for 31st March, 2019. (6)

Particulars	Amt (?)	Particulars	Amt (?)
Wages	16,000	Stock (1.04.2018)	22,000
Royalties	11,000	Sales	3,80,000
Sales Returns	24,000	Purchases	1,90,000
Goods withdrawn by Sangita		Purchases Returns	6,400
for Personal use	16,000	Manufacturing Expenses	8,400
Factory Rent	4,200	Motive Power	16,000
Stock (31.03.2019)	36,000	Freight	7,400

**Question No. 3 Attempt following Question**

a) A company name Yamuna Ltd. manufactures mineral water bottles. The company provides information for the month of February 2023

(10 Marks)

Sales Unit	40,000
Variable Cost	Rs. 8 p.u.
Fixed Cost	60,000

(10)

Company manage to earn contribution of Rs. 1,60,000

You are required to find out the following-

- P/V Ratio
- BEP Sales
- BEP Units
- MOS Sales
- MOS Units

**OR**

b) Prepare a cost sheet for Sunita Traders from the following information:

(10)

Particulars	Amount (Rs.)
Direct Material	50,000
Direct Labour	75,000
Direct Expenses -	
Royalty Expenses	10,000
Freight	3,000
Materials used in packing	15,000
Materials used the selling of product	2,000
Salary of inspector engaged on this particular product	8,000
Lighting & Heating [ Factory & Office 3:2 ]	50,000
Depreciation, Repairs & Rent [ 50% for factory ]	25,000
Municipal Taxes & Insurance of building [ 40% of Office ]	8,000
Selling Expenses	17,500
Advertisement	4,000

Assuming that all the products manufactured are sold, what should be the selling price to obtain a profit of 20% on cost.

c) A company has two alternatives of raw material for production X & Y.

Particulars	X	Y
Variable Cost	Rs. 18 p.u.	Rs. 17 p.u.
Fixed Cost	Rs.40,000	Rs.45,000

(6)

Find out the indifference point. Also advice the company which alternative will be suitable if-

- Expected production is 7,000 units
- Expected production is 3,000 units

**OR**

d) Explain the Following terms-  
each)

**(2 marks**

(6)

i. Contributoion

ii. Margin of safety

iii. CVP Analysis

#### Question No. 4 Attempt following Question

a) A company name Yamuna Ltd. manufactures mineral water bottles. The company provides information for the month of February 2023 (10 Marks)

Sales Unit	5,00,000
Variable Cost	Rs. 12 p.u.
Fixed Cost	8,00,000

Company manage to earn contribution of Rs. 40,00,000

You are required to find out the following- (10)

- a) P/V Ratio
- b) BEP Sales
- c) BEP Units
- d) MOS Sales
- e) MOS Units

**OR**

b) ABC Limited produces a product by using two main raw materials X & Y. The following are the standard set for the same (10 Marks)

Material	Standard Quantity	Standard Price
X	800	4
Y	1200	3

The purchases for the month of may are as under

Material	Actual Quantity	Actual Price
X	795	4.25
Y	1150	2.50

(10)

You are required to find out the following

- a) Material Price Variance
- b) Material Cost Variance
- c) Material Usage Variance
- d) Material Mix Variance

Material Yield Vairance

c) A factory which expects to operate 7,000 hours, i.e., at 70% level of activity, furnishes details of expenses as under:

Variable expenses	Rs.1,260	
Semi-variable expenses	Rs.1,200	
Fixed expenses	Rs.1,800	(6)

The semi-variable expenses go up by 10% between 85% and 95% activity and by 20% above 95% activity. PREPARE a flexible budget for 80, 90 and 100 per cent activities. (6 Marks)

**OR**

d) Anamika Limited has three production departments & four service departments. The expenses for these departments as per primary distribution summary. (6)

<b>Production Department</b>	<b>Amount (RS.)</b>
Department A	30,00,000
Department B	26,00,000
Department C	24,00,000
	<b>80,00,000</b>

<b>Service Department</b>	<b>Amount (RS.)</b>
Stores	4,00,000
Time Keeping & Accounts	3,00,000
Power	1,60,000
Canteen	1,00,000

**Additional Information:**

<b>Bases</b>	<b>Dept. A</b>	<b>Dept. B</b>	<b>Dept. C</b>

Horse power of machine	300	300	200
No. of workers	20	15	15
Value of Stores Requisition in (Rs.)	2,50,000	1,50,000	1,00,000

Prepare a statement showing apportionment of cost of service department over the production department using direct distribution method.  
(6 Marks)

**Question No. 5 Attempt following Question**

**Solve the following:  
each)**

**(10 Marks**

**(10)**

**a) Prepare a cost sheet for Rudra Traders from the following information:**

<b>Particulars</b>	<b>Amount (Rs.)</b>
Materials used in Manufacturing	5,500
Materials used in Packing Material	1,000
Materials used in selling the factory	150
Materials used in Factory	75
Materials used in Office	125
Labour required in factory	1,000
Labour required for supervision of Manufacturing Factory	200
Expenses Direct Factory	500
Expenses Indirect Factory	100
Expenses Office	125
Depreciation Office Building Equipment	75

Depreciation Factory	175
Selling Expenses	350
Freight	500
Advertising	125

Assuming that all the products manufactured are sold, what should be the selling price to obtain a profit of 25% on selling price.

**OR**

(10)

b) A department of Company X attains sale of Rs. 6,00,000 at 80 per cent of its normal capacity and its expenses are given below:

**Administration costs:  
(Rs.)**

Office salaries  
90,000

General expenses of sales 2 per cent

Depreciation  
7,500

Rates and taxes  
8,750

**Selling costs:**

Salaries of sales 8 per cent

Travelling expenses of sales 2 per cent

Sales office expenses sales 1 per cent of

General expenses sales 1 per cent of

**Distribution costs:**

Wages  
15,000

Rent of sales 1 per cent

Other expenses  
of sales

4 per cent

PREPARE flexible administration, selling and distribution costs budget, operating at 90 per cent, 100 per cent and 110 per cent of normal capacity.

c) Maya Limited produces a product by using Skilled Labour.  
The following are the standard set for the same

Labour	Standard Hours	Standard Rate
Skilled	450	12

The Actuals for the month of May are as under

(6)

Labour	Actual Hours	Actual Rate
Skilled	500	10

You are required to find out the following

- a) Labour Rate Variance
- b) Labour Cost Variance
- c) Labour Efficiency Variance

**OR**

d) Evaluate the difference between relevant cost and irrelevant cost.

(6)