



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

WINTER-2024	
Exam Seat No.:	
Academic Year:2024-2025	Semester:I
Class:FYMBA	Program:MBA
Branch Code:M.B.A.	Pattern:2024
Name of Course:Accounting for Managers	Course Code:2410503
Max. Marks:60	Duration:2.30 Hrs.

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 six 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. Q1 and 2 are compulsory. Answer a or b and c or d for Q3, 4, and 5.

Marks CO

Question No. 1

- 1a) Difference between Cost Accounting & Management Accounting. (6) CO1

Question No. 2

- 2a) Following information provided by Mr. Rohan Joshi – (6) CO3

Particulars	Dr. (₹)	Cr. (₹)
Drawing & Capital	8,000	1,25,000
Opening Stock	1,02,900	
Purchases & Sales	3,25,700	7,85,600
Returns	5,600	4,700
Wages & Salaries	25,000	
Carriage	18,500	
Insurance	30,000	
Discount		1,200
Debtors & Creditors	57,000	45,000

Furniture	1,60,000	
12% Deposits (01.10.2024)	40,000	
Plant & Machinery	1,80,000	
Rent & Taxes	8,800	
Total	9,61,500	9,61,500

Adjustments -

1. Closing stock valued at market price ₹ 1,43,500 and cost price 1,50,000.
2. O/s Wages 4,500.
3. Insurance paid for 15 months.
4. Bad debts 3,000.
5. Charge depreciation on Plant & Machinery @ 15% and Furniture @ 5%.

Prepare Trading Account for the year ended 31st March 2024.

Question No. 3

- 3a) The following information has been obtained from Rajlaxmi Manufacturing Ltd., Pune for a quarter (8) CO3, ending 31st March 2024. CO5

Particulars	₹
Stock of raw materials on 1-1-2024	2,00,000
Stock of raw materials on 31-3-2024	1,48,000
Purchases of raw material	12,00,000
Office expenses	10,000
Carriage inward	20,000
Factory rent	36,000
Interest on Loan	25,000
Office rent	24,000
Bad debts	20,000
Productive wages	7,000
Travelers, salaries and commission	50,000

Manager's Salaries (He devotes 2/3 of his time to factory)	15,000
Factory Indirect Wages	22,000
Defective material return	8,000
Sales	21,00,000

Prepare cost sheet for the quarter ended 31st March 2024, also calculate percentage of profit.

OR

3b) 1) Calculate EOQ form the following information.

(8) CO3,
CO5

Annual consumption	3,00,000 Kg.
Cost of placing an order	₹ 48
Cost of Raw materials	₹ 22.50/Kg.
Storage cost	8% of average inventory

2) Rajdeep Ltd. has three production departments X, Y and Z and two service departments, 'A' and 'B'. the following figures are extracted from the records of the company for the period ended 31-3-2024.

Depreciation on Machinery	₹35,000
Power	₹18,000
Rent & Rates	₹ 14,000

Particulars	Total	X	Y	Z	A	B
Floor space (sq. ft)	7,000	3,500	2,100	700	700	-
Light points (numbers)	60	10	15	20	10	5
Direct wages (Rs.)	10,000	30,000	20,000	30,000	15,000	5,000
H.P. of machines (H. P.)	360	120	60	60	90	30
Value of machinery (Rs.)	7,00,000	2,80,000	1,40,000	1,40,000	70,000	70,000

You are required to distribute the overhead costs to the production and service Dept. on the most equitable basis.

3c) Classification of Cost by Relevance.

(8) CO1

OR

3d) Explain Maximum stock level.

(8) CO1

Question No. 4

4a) Renuka Ltd., produced and sold 8,000 cycles last year at a price of Rs. 400 each. The cost structure per cycle is as follows:

(8) CO4,
CO5

Particulars	₹
Materials	80
Labour	40
Variable Overheads	30
Marginal Cost	150
Fixed Overheads	175
Total Cost	325
Profit	75
Sales Price	400

The company has to reduce selling price to Rs. 350 due to tough competition in the coming year. Assuming no change in costs, state the number of cycles to be sold at the new price to ensure the same amount of total profit as in the last year.

OR

- 4b) The sales and profit during the last two years of Riya Ltd., were as follows:

(8) CO4,
CO5

Period	Turnover	Profit
2023-24	35,00,000	1,00,000
2024-25	40,00,000	1,90,000

Annual fixed cost is ₹3,60,000

Calculate:

- P/v Ratio
- BEP (sales)
- Margin of safety Period - I Period – II
- Profit made when sales are ₹30,00,000.

- 4c) Prepare a Cash Budget of Reeyansh Ltd for the three months ending March 2025 based on the following information.

(8) CO3,
CO4

Particulars	December 2024 ₹	January 2025 ₹	February 2025 ₹	March 2025 ₹
Cash Sales	1,80,000	2,10,000	2,32,000	2,42,000
Credit Sales	1,50,000	1,20,000	2,10,000	1,80,000

Purchases	2,40,000	2,60,000	3,00,000	2,50,000
Other Expenses	36,000	30,000	33,000	35,000

Cash at Bank on 1st January 2025 ₹ 50,000

Monthly salaries and wages (estimated) ₹ 20,000

Interest payable February 2024 ₹ 5,000

Machinery Purchases in March 2024 ₹ ,50,000

Other details:

1. Credit sales are collected 40% in the month of sale and 60% in the month following.
2. Collection from credit sales are subject to 10% discount if received in the month of sale.
3. 20% of the purchases are in cash and balance in next month.

OR

4d) Rajeshwari Ltd. performance of an operations during a financial year is as under -

(8) CO3,
CO4

Capacity Utilization	50%
Direct Material	1,50,000
Direct Wages	2,40,000
Production Overheads (20% Rigid)	7,00,000
Administrative Overheads (50% Fixed)	1,80,000
Selling Overhead (25% Variable)	3,00,000
Factory Rent (Fixed)	50,000

The Company produced 10,000 units at 50% capacity utilization. The profit margin is 20% on Sales.

Prepare a Flexible Budget for the next year 2025, and determine the cost per unit at the capacity levels of 75% and 90%.

Question No. 5

5a) Define Standard costing, Explain advantages of standard costing.

(8) CO1

OR

5b) Define Standard costing, Formulate Labour cost, rate and efficiency variances.

(8) CO1

5c) Radhika Utensils Ltd.

(8) CO3,
CO4

Standard	
Material required for – 80 kg of finished product	100 kg
Price of materials	₹ 1.50 per kg

Actual	
Output	2,40,000 kg's
Materials used	3,00,000 kg's
Cost of materials	₹2,52,000

Calculate -

1. Material cost variance.
2. Material usage variance.
3. Material price variance.

OR

- 5d) Rishabh Instruments Pvt Ltd. provides following data to calculate LCV, LRV, LEV each of the labour variances for the two departments –

(8) CO3,
CO4

Particulars	Dept. X	Dept. Y
Actual gross wage	2,050	1,740
Standard hours produced Hrs.	8,000	6,000
Standard rate per hour ₹	0.30	0.35
Actual hours worked Hrs.	8,200	5,800

..... End of question paper.....