Goa Vidyaprasarak Mandal's

GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS, PONDA - GOA

B.C.A (SEMESTER - III) EXAMINATION, OCTOBER 2016

MANAGEMENT ACCOUNTING

Duration: 2 Hrs **Marks: 50**

Instructions: *1. All questions are compulsory*
2. Figures to right indicate marks.
3. Use of calculator is allowed.

Q.1) Answer the following: (2x5)

1. Give any two points of difference between management accounting & financial accounting.
2. What do you understand by CVP analysis?
3. What is standard costing?
4. Explain any two responsibilities of management accountant.
5. State any two limitations of financial accounting.

Q.2.A) From the following data, prepare a flexible budget for production of 40,000 units and 75,000 units, distinctly showing variable cost and fixed cost as well as total cost. Also indicate element wise cost per unit. Budgeted output is 1,00,000 units and budgeted cost per unit is as follows: (10)

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Direct material	95
Direct labour	50
Production overheads (variable)	40
Production overhead (fixed)	5
Administration overhead (fixed)	5
Selling overheads (10% fixed)	10
Distribution overhead (20% fixed)	15

OR

Q.2.B) A company is expected to have ` 25000/- cash in hand on 1st April 2016 and it requires you to prepare cash budget for three months April to June 2016. The following information is supplied to you: (10)

Months	**Sales `**	**Purchase `**	**Wages `**	**Expenses `**
February	70000	40000	8000	6000
March	80000	50000	8000	7000
April	92000	52000	9000	7000
May	100000	60000	10000	8000
June	120000	55000	12000	9000

Other information:

a) Period of credit allowed by suppliers is two months.
b) 25% of sale is for cash and the period of credit allowed to customers for credit sale is one month.
c) Delay in payment of wages and expenses one month.
d) Income tax ` 25000/- is to be paid in June 2016.

Q.3.A) The following information is obtained from Sundar & company Ltd.

Sales (2,00,000 units) = ` 2,00,000/-

Variable cost = `120,000/-

Fixed cost = ` 60,000/-

Calculate:

a) Profit volume ratio

b) Break-even point – Sales value (10)

c) Sales to earn a profit of ` 30,000/-

d) Profit when sales amounted to ` 2,80,000/-.

OR

Q.3.B.i) With the help of a suitable diagram explain break even analysis. (5)

ii) Define marginal cost & marginal costing, also explain the elements of CVP analysis. (5)

Q.4.A) The standard material cost to produce one kg of chemical X is:

300 kg of material A @ ` 1 per kg.

400kg. of material B @ ` 5 per kg.

500 kg of material C @ ` 6 per kg.

During a period, 100 kgs of chemical X is produced from the usage of:

35000 kgs of material A at a cost of ` 9 per kg. (10)

42000 kgs of material B at a cost of ` 6 per kg.

53000 kgs of material C at a cost of ` 7 per kg.

Calculate:

a) Material usage variance

b) Material price variance

c) Material cost variance.

OR

Q.4.B) VPK Ltd manufactures a particular product, the standard direct labour cost of which is 120 per unit as given below. (10)

Grade of workers	**Hours**	**Rate `**	**Amount `**
A	30	2	60
B	20	3	60
	50		**120**

During a period, 100 units of the product were produced, the actual labour cost of which was as follows:

Grade of workers	**Hours**	**Rate `**	**Amount `**
A	3200	1.50	4800
B	1900	4.00	7600
	5,100		**12,400**

Calculate:

a) Labour Cost Variance

b) Labour Rate Variance

c) Labour Efficiency variance.

Q.5.A) i) Write a note on importance of management reporting. (5)

ii) Explain the different types of managerial reports prepared by the business firms. (5)

OR

Q.5.B) What do you understand by the term "Reporting to management"? Explain the essentials of a good reporting system. (10)

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