

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURKAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA - GOA
B.C.A (SEMESTER - III) SUPPLEMENTARY EXAMINATION
MAY/JUNE 2017
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 cost accounting & financial accounting.
2. What do you understand by break even analysis?
3. What is standard cost?
4. Explain any two duties of management accountant.
5. State any two objectives of management accounting.

Q.2.A) From the following data, prepare a flexible budget for production of 8000 units and 6000 units. The following are expenses budgeted for production of 10000 units.

	`	(10)
Direct material	70	
Direct labour	25	
Production overheads (variable)	20	
Production overhead (fixed)	10	
Administration expenses (` 50000)	5	
Selling Expenses (10% fixed)	13	
Distribution expenses (20% fixed)	7	
Variable expenses (direct)	5	
Total	155	

Assume that administration expenses are rigid for all levels of production.

OR

Q. 2. B) Prepare a cash budget for the three months ending 30th June, 2016 from the information given below:

(10)

Month	Sales `	Purchases `	Wages `	Overheads `
February	28,000	19,200	6,000	3,400
March	30,000	18,000	6,000	3,800
April	32,000	18,400	6,400	4,000
May	34,000	20,000	7,200	4,400
June	36,000	20,800	8,000	4,600

Other information

a) Their Credit terms are :

Sales and debtors: 10% of sales are on cash, 50% of the credit sales are collected next month and the balance in the following month.

- b) For creditors 2 months is the credit period allowed.
- c) Wages are paid as $\frac{3}{4}$ in the same month and $\frac{1}{4}$ in the next month.
- d) 50% of overheads are paid in the same month and 50% in the next month.
- e) Cash balance on 1st April is expected to be ` 12,000/-.
- f) Plant and machinery was installed in February 2014 at a cost of `96000. The monthly installment of ` 4,000/- is payable from June onwards.
- g) Dividend @ 5% on preference share capital of ` 2,00,000/- to be paid on 1st June.
- h) Advance to be received for sale of vehicles ` 18,000/- in June.
- i) Dividends from investments amounting to ` 2,000/- are expected to be received in June.

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) Explain the following: (2x5)

- a) Contribution b) profit/volume ratio c) Marginal cost equation
- d) Break even analysis e) Marginal costing

Q.4.A) The standard mix to produce one unit of product is as follows: (10)

Material A	60 units	@ `15 per unit	= 900
Material B	80 units	@ `20 per unit	= 1600
Material C	100 units	@ `25 per unit	= 2500

<u>240 units</u>	<u>5000</u>
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During the month of August, 10 units were actually produced and consumption was as follows:

Material A	640 units	@ `17.50 per unit	= 11,200
Material B	950 units	@ `18.00 per unit	= 17,100
Material C	870 units	@ `27.50per unit	= 23,925

<u>2460 units</u>	<u>52,225</u>
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Calculate:

- a) Material usage variance
- b) Material price variance
- c) Material cost variance.

OR

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

Grade of workers	Hours	Rate `	Amount `
X	30	2	60
Y	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 `
X	3200	1.50	4800
Y	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) Explain the different types of managerial reports prepared by the business firms. (5)
- ii) Define management reporting. Explain essentials of good reporting system. (5)

OR

- Q.5.B) What do you understand by the term “Reporting to management”? (10)
- Explain the general principles involved in reporting to the management.

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