

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA - GOA
B.C.A. (SEMESTER-III) SUPPLEMENTARY EXAMINATION
MAY/JUNE 2018
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.A) Answer the following: (5x2)

1. Explain any two duties of management accountant.
2. What do you understand by break even point?
3. Give any two points of distinction between cost accounting and financial accounting.
4. Define standard costing.
5. What is master budget?

Q. 2. A) For the production of 10000 electric automatic irons, the following are the budgeted expenses. (10)

Particulars	Per unit ,
Direct material	60
Direct labour	30
Variable Production overhead	25
Fixed production overhead (` 1,50,000/-)	15
Variable expenses (direct)	5
Selling expenses (10% fixed)	15
Administration expenses (` 50,000/- rigid for all levels of production)	5
Distribution expenses (20% fixed)	5
The total cost of sale per unit	160

Prepare a budget for the production of 6000, 7000 and 8000 irons, showing distinctly the marginal cost and the fixed cost and the total cost.

OR

Q. 2. B) Prepare a cash budget for the three months ending 30th June, 2015 from the information given below: (10)

Month	Sales	Purchases	Wages	Overheads
February	14,000	9,600	3,000	1,700
March	15,000	9,000	3,000	1,900
April	16,000	9,200	3,200	2,000
May	17,000	10,000	3,600	2,200
June	18,000	10,400	4,000	2,300

Other information:

Their Credit terms are :

- 1) 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.
- 2) For creditors 2 months is the credit period allowed.
- 3) Wages are paid as $\frac{3}{4}$ in the same month and $\frac{1}{4}$ in the next month.
- 4) 50% of overheads are paid in the same month and 50% in the next month.
- 5) Cash balance on 1st April is expected to be ` 6,000/-.
- 6) Plant and machinery was installed in February 2014 at a cost of `96000. The monthly installment of ` 2,000/- is payable from June onwards.

- 7) Dividend @ 5% on preference share capital of ` 2,00,000/- to be paid on 1st June.
- 8) Advance to be received for sale of vehicles ` 9,000/- in June.
- 9) Dividends from investments amounting to ` 1,000/- are expected to be received in June.
- 10) Income tax (advance) to be paid in June ` 2,000/-.

Q.3.A) The following information is obtained from Chandrashekhar & company Ltd. (10)

Sales (1,00,000 units) = `1,00,000/-

Variable cost = ` 60,000/-

Fixed cost = ` 30,000/-

Calculate:

- a) Profit volume ratio
- b) Break-even point – Sales value
- c) Sales to earn a profit of ` 15,000/-
- d) Profit when sales amounted to ` 1,40,000/-.

OR

Q.3.B.) i) With the help of a suitable diagram explain the cost volume profit analysis. (5)

ii) Explain the following:

- a) Marginal cost (2.5)
- b) Marginal cost equation. (2.5)

Q.4.A) The following data is obtained from the books of “ ABC COMPANY”. (10)

Name of the material	Standard		Actual	
	Quantity (uts)	Rate (₹)	Quantity (uts)	Rate (₹)
Alpha	1050	2.00	1100	2.25
Star	1500	3.25	1400	3.50
Zee	2100	3.50	2000	3.75

You are required to calculate:

Material cost variance

Material price variance

Material usage variance

OR

Q.4.B) VIP India Ltd. Manufactures the particular product, the standard direct labour cost of which is `120 per unit whose manufacture involves the following: (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
	5100		12400

Calculate :-

Labour cost variance

Labour rate variance

Labour efficiency variance

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

OR

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

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

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