

Bachelor of Commerce (B.Com.) (Semester-VI) Examination**MANAGEMENT ACCOUNTING****Compulsory Paper—2**

Time : Three Hours]

[Maximum Marks : 80

N.B. :— (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

1. (A) Explain the importance and limitation of Management Accounting. 8

(B) The following information is of Ayush Ltd. :

| Years | Sales Rs. | Profit Rs. |
|-------|-----------|------------|
| 2014 | 1,50,000 | 15,000 |
| 2015 | 1,70,000 | 20,000 |

Find out :

(i) Profit Volume Ratio

(ii) Break Even Point

(iii) Fixed Cost

(iv) Profit on Sales of Rs. 2,00,000. 8

OR

(C) Arvind Enterprises submitted following information :

When, Selling price per unit Rs. 40

Variable cost per unit Rs. 24

Fixed cost Rs. 48,000

Calculate :

(i) P/V Ratio

(ii) B.E.P. in Rs./ and in units

(iii) Profit on sales of Rs. 2,40,000

(iv) Sale to earn profit of Rs. 60,000

(v) Margin of Safety on a sale of Rs. 2,50,000

(vi) Margin of safety on a profit of Rs. 15,000

(vii) If fixed cost increase by Rs. 10,000 than what will be the effect on B.E.P. 16

2. (A) Explain the types of Budget ? 8
 (B) Prepare cash budget for 3 months, March, April and May from the following information :

| Months | Total Sale | Material | Wages | Production Overhead | Selling and Dist. Overhead |
|----------|------------|----------|-------|---------------------|----------------------------|
| January | 20,000 | 20,000 | 4,000 | 3,200 | 800 |
| February | 22,000 | 14,000 | 4,400 | 3,300 | 900 |
| March | 24,000 | 14,000 | 4,600 | 3,300 | 800 |
| April | 26,000 | 12,000 | 4,600 | 3,400 | 900 |
| May | 28,000 | 12,000 | 4,800 | 3,500 | 900 |
| June | 30,000 | 16,000 | 4,800 | 3,600 | 1,000 |

Other Information :

- (1) Cash balance on 1st March was Rs. 10,000.
- (2) A new machine is to be installed at Rs. 30,000 on credit to be paid in 2 equal instalment payable in March and April.
- (3) Sales Commission 5% on total sale payable in the next month.
- (4) Rs. 10,000 being 2nd call on shares receivable in March along with premium Rs. 2,000.
- (5) Supplier period 2 months, customers period 1 month, overhead 1 month.
- (6) Wages $\frac{1}{2}$ months, cash sale 50% of total sale. 8

OR

- (C) The expenses budget for production of 10000 units in a factory are furnished below :

| Particulars | Per Units Rs. |
|-----------------------------------|------------------|
| Direct Materials | 100 |
| Direct Labour | 50 |
| Variable Overhead | 40 |
| Fixed Overhead (Rs. 2,40,000) | 24 |
| Variable Expenses (Direct) | 10 |
| Selling Expenses (20% Fixed) | 30 |
| Administration Expenses (Fixed) | 06 |
| Distribution Expenses (20% Fixed) | 15 |
| | 275 |

Prepare a flexible budget for production of 6000, 8000 and 12000 units. Assume that administrative expenses are rigid for all levels of production. 16

3. (A) What is a 'Ratio' ? What are the limitation of Ratio Analysis ? 8
- (B) From the following information of a Co. calculate debtors turnover ratio and creditor turnover ratio :
- | | |
|------------------|----------|
| Total Sales | 2,00,000 |
| Cash Sales | 44,000 |
| Sales Return | 10,000 |
| Total Purchase | 6,40,000 |
| Cash Purchase | 40,000 |
| Debtors | 15,000 |
| Creditors | 1,20,000 |
| Bills Receivable | 90,000 |
| Bills Payable | 30,000 |
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OR

- (C) From the following information calculate ratios :
- (i) Gross Profit Ratio
 - (ii) Net Profit Ratio
 - (iii) Current Ratio
 - (iv) Acid Test Ratio
 - (v) Operating Ratio
 - (vi) Stock Turnover Ratio

Trading and Profit & Loss A/c

| Particular | Rs. | Particular | Rs. |
|-----------------------------|-----------|-------------------------|-----------|
| To Stock | 2,50,000 | By Sales | 18,00,000 |
| To Purchase | 10,50,000 | By Closing Stock | 1,50,000 |
| To Gross Profit | 6,50,000 | | |
| | 19,50,000 | | 19,50,000 |
| To Selling and Distribution | | By Gross Profit | 6,50,000 |
| Exp. | 1,00,000 | By Non-operating Income | 50,000 |
| To Administrative Exp. | 2,30,000 | | |
| To Financial Exp. | 20,000 | | |
| To Net Profit | 3,50,000 | | |
| | 7,00,000 | | 7,00,000 |

Balance Sheet

| Liabilities | Rs. | Assets | Rs. |
|-------------------------------|------------------|---------------------|------------------|
| Share Capital (50,000 Shares) | 5,00,000 | Land and Building | 5,00,000 |
| Profit & Loss A/c | 1,50,000 | Plant and Machinery | 2,00,000 |
| Sundry Creditor | 2,00,000 | Stock | 1,50,000 |
| General Reserve | 4,00,000 | Sundry Debtors | 2,50,000 |
| | | Cash at Bank | 1,50,000 |
| | <u>12,50,000</u> | | <u>12,50,000</u> |

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4. (A) What is Fund Flow Statement ? What are the uses of Fund Flow Statement. 8
- (B) Prepare a statement of changes in working capital from the following Balance Sheet :

| Particulars | 31st March 2015 (Rs.) | 31st March 2016 (Rs.) |
|-----------------------|---|---|
| Liabilities : | | |
| Share Capital | 6,00,000 | 6,00,000 |
| Reserve and Surpluses | 4,00,000 | 5,00,000 |
| Debentures | 2,00,000 | 3,00,000 |
| Tax Payable | 75,000 | 45,000 |
| Accounts Payable | 1,00,000 | 1,55,000 |
| Interest Payable | 20,000 | 30,000 |
| Dividend Payable | 50,000 | 40,000 |
| | <u>14,45,000</u> | <u>16,70,000</u> |
| Assets : | | |
| Fixed Assets | 7,00,000 | 8,00,000 |
| Long Term Investment | 3,00,000 | 2,00,000 |
| Work-in-Progress | 80,000 | 90,000 |
| Stock in Trade | 2,00,000 | 3,00,000 |
| Accounts Receivable | 1,00,000 | 1,60,000 |
| Cash | 65,000 | 1,20,000 |
| | <u>14,45,000</u> | <u>16,70,000</u> |

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OR

(C) From the following Balance Sheet of Zenith Company Ltd. as on 31st March, 2014 and 31st March 2015 prepare :

- (1) Schedule of change in working capital
- (2) A fund flow statement

Balance Sheet

| Particular | 31st March 2014 (Rs.) | 31st March 2015 (Rs.) |
|------------------------------|---|---|
| Liabilities : | | |
| Share Capital | 50,00,000 | 50,00,000 |
| General Reserve | 7,00,000 | 9,00,000 |
| Profit & Loss A/c | 8,00,000 | 6,50,000 |
| Sundry Creditors | 4,00,000 | 2,70,000 |
| Bills Payable | 60,000 | 40,000 |
| Provision for Taxation | 8,00,000 | 9,00,000 |
| Provision for Doubtful Debts | 20,000 | 30,000 |
| | <u>77,80,000</u> | <u>77,90,000</u> |
| Assets : | | |
| Goodwill | 6,00,000 | 6,00,000 |
| Building | 20,00,000 | 18,00,000 |
| Plant | 18,50,000 | 18,00,000 |
| Investment | 5,00,000 | 5,50,000 |
| Stock | 15,00,000 | 11,70,000 |
| Bills Receivable | 1,00,000 | 1,60,000 |
| Debtors | 9,00,000 | 9,50,000 |
| Cash at Bank | 3,30,000 | 7,60,000 |
| | <u>77,80,000</u> | <u>77,90,000</u> |

Following additional information is also available :

- (1) Depreciation charged on plant was Rs. 2,00,000 and building Rs. 2,00,000.
- (2) Provision for taxation of Rs. 9,50,000 was made during the year 2015.
- (3) Interim dividend of Rs. 5,00,000 was paid during the year.

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5. (A) Given :

Profit Volume Ratio = 33%

Fixed Cost = Rs. 70,000

Calculate the amount of profit expected from the sale of Rs. 9,00,000.

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(B) Prepare a cash budget for April and May 2017. Balance of cash on 1st April is expected to be Rs. 12,500.

| Month | Sale | Purchase | Wages |
|----------|----------|----------|-------|
| February | 90,000 | 62,400 | 6,000 |
| March | 96,000 | 72,000 | 7,000 |
| April | 54,000 | 1,21,500 | 5,500 |
| May | 87,000 | 1,23,000 | 5,000 |
| June | 1,13,000 | 1,34,000 | 7,500 |

(1) Credit for purchase will be paid in the month.

(2) Workers are paid wages in the same month. Show cash budget estimate overdraft requirement.

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(C) If gross ratio is 30% sales are Rs. 8,00,000. Administrative Expenses are Rs. 75,000 and Selling Expenses are Rs. 95,000.

Calculate Operating Ratio.

4

(D) Find out profit from operation :

| Particular | Rs. |
|----------------------------------|----------|
| Profit or Loss A/c on 31-12-2017 | 1,35,800 |
| Profit or Loss A/c on 31-12-2018 | 1,68,680 |
| Profit on Sale of Machinery | 5,000 |
| Provision for Tax | 15,000 |
| Depreciation on Machinery | 35,000 |
| Loss on Sale of Investment | 4,000 |

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(मराठी माध्यम)

- | | |
|--|--------|
| 1. (अ) प्रबंधन लेखांकनाचे महत्व आणि मर्यादा स्पष्ट करा. | 8 |
| (ब) इंग्रजी माध्यमानुसार. | 8 |
| किंवा | |
| (क) इंग्रजी माध्यमानुसार. | 16 |
| 2. (अ) अंदाजपत्रकाचे प्रकार कोणते आहेत ? ते स्पष्ट करा. | 8 |
| (ब) इंग्रजी माध्यमानुसार. | 8 |
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| 3. (अ) 'अनुपात' म्हणजे काय ? अनुपात विश्लेषणाच्या मर्यादा काय आहेत ? | 8 |
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| 4. (अ) निधी प्रवाह विवरण म्हणजे काय ? निधी प्रवाह विवरणाचा काय उपयोग आहे ? | 8 |
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| 5. (अ), (ब), (क) आणि (ड) इंग्रजी माध्यमाप्रमाणे. | 4×4=16 |

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(हिन्दी माध्यम)

1. (अ) प्रबंधन लेखांकन का महत्व एवं मर्यादाएं स्पष्ट कीजिये। 8
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- (क) अंग्रेजी माध्यम के अनुसार। 16
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