

(A 10)

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**SARDAR PATEL UNIVERSITY**  
**BBA (V Semester) Examination**

**Monday, 16 March 2015**

**10.30 am - 12.30 pm**

**UM05CBBA02 - Management Accounting**

**Total Marks: 60**

Q.1	(A) Define Management Accounting. Discuss its Scope in detail. (B) Explain basic characteristics of Management Accounting.	[8] [7]
<b>OR</b>		
Q.1	(A) Discuss the Functions of Management Accounting. (B) Write note on Role of Management Accountant.	[8] [7]
Q.2	Prepare a Cash Budget for the three months ending 30th June 2014 from the information below. (1)	[15]

Months	Sales Rs.	Materials Rs.	Wages Rs.	Overheads Rs.
February	14000	9600	3000	1700
March	15000	9000	3000	1900
April	16000	9200	3200	2000
May	17000	10000	3600	2200
June	18000	10400	4000	2300

(2) Credit terms are:

Sales/Debtors-10% Sales are on cash, 50% of the Credit Sales are collected next month and the balance in the following month.

Creditors-Materials 2 Months, Wages 1/4 Months, Overheads 1/2 Months

(3) Cash and bank balance on 1st April 2014 is expected to be Rs.6000.

(4) Plant and Machinery will be installed in February 2014 at a cost of Rs.96000. The monthly installment of Rs.2000 is payable from April onwards.

(5) Dividend at 5 % on Preference Share Capital of Rs.200000 will be paid on 1st June.

(6) Advance to be received for Sale of Vehicles Rs.9000 in June.

(7) Dividends from investments amounting to Rs.1000 are expected to be received in June

(8) Income tax (advance) to be paid in June is Rs.2000.

**OR**

Q.2 ABC Co. Ltd has prepared a budget for the production of 100000 units of a certain Commodity for a costing period as under. [15]

	Rs.
Raw materials	252000
Direct Labour	75000
Direct Expenses	10000
Works overheads (60 % Fixed)	250000
Administration Overheads (80 % Fixed)	40000
Selling overheads (50 % Fixed)	20000

The actual production during the Period was only 60000 units.  
Calculate the revised budgeted cost per unit.



Q.4 The details regarding the composition and the weekly wage rates of labour force engaged on a job Scheduled to be Completed in 30 weeks are as follows. [15]

Category of Workers	standard		Actual	
	No. of Workers	Weekly wage rate per Worker Rs.	No. of Workers	Weekly wages rate per Worker Rs.
Skilled	75	60	70	70
Semi Skilled	45	40	30	50
unskilled	60	30	80	20

The Work is actually Completed in 32 Weeks. Calculate the all Labour Variances.

