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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

					Total Mar	ks: 60				
Q.1	(A) Define Management Accounting. Discuss its Scope in detail.									
	(B) Explain basic characteristics of Management Accounting.									
			OR			[8]				
Q.1										
	(B) Write note on Role of Management Accountant.[2Prepare a Cash Budget for the three months ending[1]									
Q.2	Prepare a Cash Budget for the three months ending									
(4)	30th June 2014 from the information below.									
(1)	Mantha	Calca	Metariala							
	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 te	rms 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 or									
	1st June.									
(6)	Advance to be received for Sale of Vehicles Rs.9000 in June.									
(7)		1. C								
(7)	(7) Dividends from investments amounting to Rs.1000 are expected									
(0)	to be received in June ) Income tax (advance) to be paid in June is Rs.2000.									
(8)	Income			Julie 15 KS.Z	000.					
Q.2										
Q.2			ertain Commodity for a costing period as under.							
	100000			Rs.	9					
	Raw ma	terials		25200	D					
	Direct La			75000						
	Direct E	xpenses		10000						
		verheads (60	0 % Fixed)	25000	0					
			heads (80 % Fiz	xed) 40000						
	Selling overheads (50 % Fixed) 20000									
	The actual production during the Period was only 60000 units.									
Coloulate the revised hudgeted cost per unit										

Calculate the revised budgeted cost per unit.

(A 10)

Q.3 A Ltd has a production capacity of 200000 units per year. Normal [15] Capacity utilisation is 90%. Standard Variable Production costs are Rs.11 per unit.

The fixed costs Rs.360000 per Year.

Variable Selling costs Rs. 3 per unit.

Fixed selling costs Rs.270000 per Year.

Selling Price Rs.20 per unit.

During the year ended on March 31, 2014. the production was 160000 units and sales were 150000 units.

The closing stock on March 31, 2014 was 20000 units.

The Actual Variable production costs for the year were Rs.35000 higher than standard.

you are requred to calculate the profit for the year using

(1) Absorption Costing method

(2) Marginal Costing method and also explain the reasons for the difference in two profits.

## OR

Q.3 (A) The Profit and Loss Account of Company for the year ended [6] March 31, 2014 is as under

	Rs.	Rs.
Sales		120000
Less-Cost of goods		
manufactured (Variable)		<u>75000</u>
Gross Margin or Contribution		45000
Less Operating Expenses		
Selling Expenses	15000	
Admn. Expenses	7500	<u>22500</u>
Net Profit		<u>22500</u>

The selling Expenses are 90% Variable and the administrative expenses are 20 % Variable.

Prepare the income Statement under Marginal Costing method.

(B) Explain-Difference between Absorption Costing and Marginal [9] Costing.

Q.4 The following information has been extracted from the records of [15] a Company.

Standard Price-Raw material-A-Rs. 2 per Kg.

Raw material-B-Rs. 10 per Kg.

Standard Mix - A 75 %, B-25% (by Weight)

Standard yield-90%

In the period, the actual costs, usages and out-put were as follows.

Used-2200 Kg. of A costing Rs. 4650

800 Kg. of B costing Rs. 7850

Out-put-2850 kgs. of products

Calculate the all material Variables.

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

Category of	standard		Actual		
Workers	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.

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