SC

SEAT No.________

[53 & A-37]

No. of printed pages: 3

SARDAR PATEL UNIVERSITY
T.Y.B.B.A. EXAMINATION, V SEMESTER (NC)

Tuesday, 10th April 2018
Session: Evening Time: 02.00 P.M To 04.00 P.M.

Subject Code: UM05CBBA02
Subject Title: Management Accounting

Total Marks: 60

Note: (1) Figures to the right indicate full marks of the question
(2) Show your working clearly

Q.1 15

Define management accounting. Discuss the nature and scope of management accounting.

OR

Q.1 15

Discuss management accounting as an effective tool of financial control.

Q.2 15

From the following data prepare a flexible budget for production of 40,000 units, 60,000 units and 75,000 units of product X, distinctly showing variable and fixed cost as well as total cost. Also indicate element wise cost per unit.

Budgeted output and budgeted cost per unit

Budgeted output	1,00,000 units (Per unit cost)
Direct Material	90
Direct labour	45
Direct variable expenses	10
Manufacturing variable overhead	40
Fixed production overhead	5
Administration overhead (fixed)	5
Selling overhead	10 (10% fixed)
Distribution overhead	15 (20% fixed)

OR

Q.2 15

From the following information of Akshay Limited prepare a cash budget for three months ending on 31.03.18.

Cash balance as on 01.01.2018 Rs. 16,000

(P.T.O.)

Months	Total Sales Rs.	Total Purchase Rs.	Wages Rs.	Indirect Expenses Rs.
November 96	2,40,000	1,44,000	57,600	56,000
December 96	2,00,000	1,28,000	64,000	52,000
January 97	3,20,000	1,60,000	70,400	60,000
February 97	4,00,000	2,08,000	67,200	64,000
March 97	3,00,000	1,76,000	76,800	72,000

(1) 40% of the total sales are cash and 60 % is credit sales.
(2) One month credit is given by the creditors.
(3) 10% amounts of purchase are paid immediately.
(4) Commission on sales at 5% on total sales is given in the next month of the actual sales.
(5) 50% amount of the net credit sales is received in the next month of the sales and the remaining 50% amount is received in the second month of the sales.
(6) Indirect expenses include depreciation amounting to Rs. 8,000 per month.
(7) The lag time for wages is ¼ month and for indirect expenses one month.
(8) In February 97 the company will purchase a machine costing Rs. 80,000 on installment basis Rs. 24,000 is to be paid on signing the agreement. The remaining amount is to be paid in four quarterly installments.
(9) Interest on debentures of Rs. 8,000 is to be paid and Rs. 12,800 of dividend is to be received in March 97.
(10) Postage charges of Rs. 200 and shop rent of Rs. 400 are to be paid every month.

Q.3 15

Mixers Ltd., is engaged in producing a 'standard mix' using 60 kgs. of chemical X and 40 kgs. of chemical Y. The standard loss of production is 30%. The standard price of X is Rs. 5 per kg. and of Y is Rs. 10 per kg.

The actual mixture and yield were as follows :

X 80 kgs. @ Rs. 4.50 per kg. and
Y 70 kgs. @ Rs. 8.00 per kg.
Actual yield 115 kgs.

Calculate material variances.

Q.3 15

The standard labour employment and actual labour engagement in a week for a job are as under

	Skilled workers	**Semi-skilled workers**	**Unskilled workers**
Standard number of workers in the gang	32	12	6
Actual number of workers employed	28	18	4
Standard wage rate per hour	3	2	1
Actual wage rate per hour	4	3	2

During the 40 hours working week, the gang produced 1,800 standard labour hours of work. Calculate Labour Cost Variances.

Q.4 15

From the following Information prepare income statements as per absorption costing & marginal costing.

Sales: 5000 Units@ Rs.50 P.U.

Production: 5500Units

Opening Stock: 500 Units (Variable Cost Rs. 8 Per unit, Fixed Cost Rs.8000)

Closing Stock:?

Variable Factory Cost: Rs. 8 per Unit

Variable Administrative Cost: Rs. 10 per Unit

Fixed Factory Cost: Rs.30000

Fixed Administrative Cost: Rs.60000

Variable Sales Cost: Rs. 4 per Unit

Fixed Sales Cost: Rs.12000

Absorption Rate for Fixed Production Overheads: Rs. 20 per unit

OR

Q.4 15

From the following Information prepare income statements as per absorption costing & marginal costing.

Production: 10000 Units

Sales: 9500 Units@ Rs.35 P.U.

Opening Stock: 100 Units (Variable Cost Rs. 6 per unit, Fixed Cost Rs.5000)

Variable Factory Cost: Rs. 7 per Unit

Variable Administrative Cost: Rs. 8 per Unit

Fixed Factory Cost: Rs.40000

Fixed Administrative Cost: Rs.50000

Variable Sales Cost: Rs. 3 per Unit

Fixed Sales Cost: Rs.18000

Budgeted fixed production cost was Rs.80,000 for the production of 10,000 units.

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