[17]

SEAT No.________ No. of Printed Pages : 4

Sc

Sardar Patel University

TY BBA ITM Semester V

Management Accounting I (UM05CBBI05)

24th October 2018, Wednesday

Time: 10 A.M. T0 12 P.M

Total Marks 60

No. of pages : 04

Q:1 (a) Define the term Management Accounting. And Discuss the Scope of Management Accounting (08)

Q:1 (b) State the limitations of Management Accounting. (07)

OR

Q:1 (a) Explain the Difference between Management Accounting and Financial Accounting. (08)

Q:1 (b) Discuss the role and status of Management accountant. (07)

Q:2 (a) For production of 10,000 Mixture , the following are budgeted expenses: (10)

Particulars	Per Unit Rs.
Direct materials	60
Direct Labour	30
Variable overheads	25
Fixed overheads (Rs. 1,50,000)	15
Variable expenses (direct)	5
Selling expenses (10% fixed)	15
Administration expenses (Rs. 50,000 rigid for all level of production)	5
Distribution expenses (20% fixed)	5
Total cost of sales per unit	160

Prepare a flexible budget for production of 6,000 and 7000 Mixture showing Marginal cost and total cost.

Q:2 (b) Nishi Ltd has estimated sales for the first six months for the year 2017 are as under: (05)

Month - 2017	January	February	March	April	May	June
Estimated sales	3000	4000	5000	6000	5000	4000

The estimated closing stock is 20% of average of two month sales of the following month. Prepare production budget for the month of January to April.

OR

(P.T.O.)

Q:2 (a) Prepare a cash budget of Jiya Ltd. for April to June from the following information **(10)**

(1) Cash and Bank Balance on 1 – 04 – 2016 Rs. 40,000

(2) Sales Actual and Budgeted

	Actual		Budgeted
	Rs.		Rs.
January	1,40,000	April	1,40,000
February	1,50,000	May	1,60,000
March	1,30,000	June	1,30,000

(3) Purchase Actual and Budgeted

	Actual		Budgeted
	Rs.		Rs.
January	70,000	April	70,000
February	80,000	May	90,000
March	70,000	June	70,000

(4) Wages and other expenses Actual and Budgeted

	Actual			Budgeted	
	Wages	Expenses		Wages	Expenses
	Rs.	Rs.		Rs.	Rs.
Feb	22,000	10,000	April	20,000	12,000
March	16,000	12,000	May	25,000	14,000
			June	16,000	14,000

(5) Machinery to be purchase for Rs. 50,000 in April, 2016

(6) Income tax to be paid for Rs. 40,000 in May 2016

(7) Rent Rs. 700 payable each month, not included in expenses

(8) 80% of purchase and sales are on credit terms.

(8) **Time lag:**

Credit sales	2months
Credit purchase	1 month
Wages	½ month
Expenses	¼ month

Q:2 (b) Two types of Materials A & B are required for manufacturing a product X. The production of Product X for next year will be 54,000 units. For the production of each product X, 2 units of A and 3 units of B are required. **(05)**

The estimated opening stock for next year are as under:

Raw material A 12,000 units and Raw material B 15,000 units

The closing stock should be as under

Raw material A 13,000 units and Raw material B 16,000 units

From the above information, prepare a Budget for purchase of Raw material.

Q:3 The normal annual level of operation on which the production fixed overhead absorption is based on 36,000 cases. There was no opening stock of finished goods. The production was 40,000 cases and sales were 32,000 cases. The cost is: **(15)**

Selling price	Rs. 60 per case
Direct material	Rs. 14 per case
Variable overhead	Rs. 12 per case
Fixed overhead	Rs.2, 16, 000 p.a.
Fixed selling expenses	Rs. 50,000 p.a.
Variable selling expenses.	15% 0n sales

Prepare income statement based on absorption costing and marginal costing.

OR

Q:3 (a) Explain difference between Absorption Costing and Marginal Costing. **(05)**

Q:3 (b) Prepare income statement based on absorption costing and marginal costing. **(10)**

Direct material	Rs. 1, 70,000
Direct Labour	Rs. 1, 30,000
Variable mfg. overhead	Rs. 60,000
Fixed mfg overhead	Rs. 1, 20,000
Variable administration overhead	Rs. 10,000
Fixed administration overhead	Rs. 30,000

Sales @Rs. 50 per unit. There is no opening stock of WIP or finished goods. However 12,000 units were produced during the year and 10,000 were sold.

Q:4 A standard material cost to produced 100 kg of chemical D is as follow. **(15)**

Chemical A 30 Kg @ Rs. 4 per Kg.

Chemical B 40 Kg @ Rs. 5 per Kg.

Chemical C 80 Kg @ Rs. 6 per Kg.

In the month of October 2012 500 Kg. of chemical D was produced from following actual mix.

Chemical A 140 Kg @ Rs. 4.2 per Kg.

Chemical B 220 Kg @ Rs. 4.8 per Kg.

Chemical C 440 Kg @ Rs. 6.5 per Kg.

Calculate : 1) Material cost variance 2) Material Price variance
3) Material Usage variance 4) Material mix variance
5)Material yield variance

OR

(P.T.O)

Q:4 (a) A contract job is scheduled to be completed in 30 weeks with a labour compliment of 100 skilled, 40 semi skilled and 60 unskilled workers. The standard weekly wage rates are Rs. 60, 36 and 24 respectively. (08)

The work is actually completed in 32 weeks with a labour force of 80 skilled, 50 semiskilled and 70 unskilled workers. Actually weekly wage rate are Rs. 65, 40 and 20 respectively. Calculate all labour variance.

Q:4 (b) Calculate following sales variance from the following data (07)

1)Sales value variance 2)Sales price variance

3)Sales volume variance 4)Sales mix variance

Standard				**Actual**		
Product	**Quantity units**	**Price Rs.**	**Amount Rs.**	**Quantity units**	**Price Rs.**	**Amount Rs.**
A	200	15	3000	160	15	2400
B	400	8	3200	240	9	2160
C	1000	2	2000	400	1.80	720
	1600		8200	800		5280

– x –

4