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SEAT No. :

P6858

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[5860]-101

First Year M.B.A.

101 - GC - 01 : MANAGERIAL ACCOUNTING

(2019 Pattern) (Semester - I)

Time : 2½ Hours] *[Max. Marks : 50*

Instructions to the candidates:

1) *All questions are compulsory.*
2) *Each question carries equal marks.*

Q1) Solve any five: **[5 × 2 = 10]**

A) Match the following pairs:

Group A	Group B
a) Business Entity Concept	i) Segmentation of the existence of the organization into time periods.
b) Going Concern Concept	ii) Permanency Nature of a business
c) Money Measurement Concept	iii) Separation between the business and its owner
d) Accounting Period Concept	iv) Recording of the business resources at cost only
	v) Transactions expressed in monetary term to be recorded in the books of accounts

B) Give one word for the following:

a) Amount which is irrecoverable from the debt.

b) Articles in which a business deals.

C) What are elements of cost?

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D) Match the following pairs:

Group A		Group B	
a)	Variable Cost	i)	Relationship of Gross Margin to Turnover
b)	Margin of Safety	ii)	Contribution = Fixed Cost
c)	P/V ratio	iii)	Break – Even Analysis
d)	Break – Even Point	iv)	Zero at BEP
		v)	Controllable in nature

E) a) Overhead refers to:

i) Direct or Prime Cost

ii) All Indirect costs

iii) Only Factory indirect costs

iv) Only indirect expenses

b) Which of the following items is not shown on Credit column of trial balance?

i) General Reserve

ii) Commission Received

iii) Purchase Return

iv) Goodwill and Patents

F) a) State the advantages of double entry accounting system.

b) Enumerate the concept of Real A/C and give examples.

G) a) A flexible budget requires careful study and classification of expenses into _____.

i) Past and current expenses

ii) Fixed, Semi-variable and variable expenses

iii) Administrative, Selling and factory expenses

iv) None of the above

b) Cost Variance is the difference between _____

i) The standard cost and marginal cost

ii) The standard cost and budgeted cost

iii) The standard cost and actual cost

iv) None of the above

H) a) Interest on loan paid by business is an example of _____.

i) Deferred expenditure

ii) Capital expenditure

iii) Revenue expenditure

iv) None of the above

b) Which item shows a debit balance in the Trial balance?

i) Purchase Return

ii) Salary Outstanding

iii) Sales

iv) Prepaid expense

Q2) Solve any two: **[2 × 5 = 10]**

a) A firm maintains subsidiary books and journals, then why is it essential for it to prepare ledger accounts?

b) How does cost volume profit (CVP) analysis help the management of a firm in its decision making?

c) Explain variable, fixed and semi-variable costs and cite examples for these.

Q3) Solve any one: **[1 × 10 = 10]**

a) From the following Trial Balance of B & B Sons., Bhopal, prepare Trading and Profit & Loss Account for the year ended 2020 and a Balance Sheet as on that date after considering the following adjustments.

Trial Balance as on 31st March 2020

Particulars	Debit (Rs.)	Credit (Rs.)
Bharat's Capital	-----	2,00,000
Land & Buildings	87,000	
Plant & Machinery	17,500	
Goodwill	20,000	
Bharat's Drawing	22,600	
Cash in hand	1,795	
Stock as on April 2020	27,000	
Wages	10,000	
Purchases Less Returns	69,000	
Carriage Inward	600	
Traveller's Commission and Expenses	6,000	
Insurance Premium	2,000	
Motor Car	3,000	
Carriage Outward	1,400	
Sales Less Returns	----	94,000
Salaries	15,000	
Bank Charges	105	
Reserve for Doubtful Debts	---	1,500
Debtors	20,000	
Creditors	---	7,500
Total		

Adjustments:

i) On 31st March 2020 the stock was valued at Rs.46,000.

ii) Insurance Premium amounting to Rs.800 is prepaid.

iii) Outstanding salaries amounted to Rs.1000.

iv) Depreciate Plant & Machinery @ 10% p.a. and Motor Car @ 20% p.a.

v) Create a Reserve for Doubtful Debts @ 10% on Debtors.

b) Prepare a Statement of Cost from the following information relating to Shah Traders, Mumbai for the year ended 31.03.2020.

Particulars	Amount (Rs.)
Cost of Direct Materials	2,00,000
Sales	4,00,000
Direct Wages	1,00,000
Office Indirect Materials	5,000
Cost of special patterns	40,000
Postage and Telegram	2,000
Factory Rent and Insurance	5,000
Outstanding Chargeable expenses	2,000
Carriage Outward	2,500
Interest on Loan	2,150
Printing and Stationery	500
Factory Indirect Wages	3,000
Selling expenses	4,000
Travelling and Salesman's Salary	4,000
Factory Indirect Materials	1,000
Royalties	8,000
General Works Overheads	2,000

Q4) Solve any one: **[1 × 10 = 10]**

a) Sales Rs.1,00,000; Profit Rs.10,000; Variable cost 70%.

Find out:

i) P/V ratio

ii) Fixed Cost

iii) Sales volume to earn a Profit of Rs.40,000.

b) The sales turnover and profit during two years were as follows:

Year	Sales (Rs.)	Profit (Rs.)
2020	1,40,000	15,000
2021	1,60,000	20,000

You are required to calculate:

i) P/V ratio

ii) Sales required to earn a profit of Rs.40,000.

iii) Profit when sales are Rs.1,20,000.

Q5) Solve any one: **[1 × 10 = 10]**

a) The Standard mix to one unit of product is as follows:

Material	Standard		Actual	
	Quantity	Rate (Rs.)	Quantity	Rate (Rs.)
Material A	40	Rs.10/kg	20	Rs.35/kg
Material B	20	Rs.20/kg	10	Rs.20/kg
Material C	20	Rs.40/kg	30	Rs.30/kg

From the following information compute the following variances:

i) Material Cost Variance

ii) Material Price Variance

iii) Material Usage Variance

b) Bright Co. Ltd. wishes to arrange overdraft facilities with its bankers from the period March to August 2021 when it will be manufacturing mostly for stock. Prepare a cash budget for the above period from the following data given below:

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Manufacturing expenses (Rs.)	Office expenses (Rs.)	Selling expenses (Rs.)
January	1,70,000	80,000	15,000	10,000	5,000	7,000
February	1,60,000	84,000	16,000	11,000	5,500	7,500
March	1,82,000	83,000	16,800	8,000	4,500	6,500
April	1,55,000	83,000	12,000	10,500	4,750	6,800
May	1,65,000	76,000	18,000	12,000	5,400	7,400
June	2,00,000	68,000	16,000	9,600	5,700	7,000
July	1,80,000	70,000	17,000	8,000	5,000	6,000
August	2,20,000	56,000	16,500	9,600	5,500	5,500

Additional Information:

i) Opening Cash Balance on 1st March, 2021 was Rs. 20,000.

ii) Credit period allowed to customers - 1 month.

iii) Credit period allowed by suppliers - 1 month.

iv) Lag in payment of manufacturing expenses, office expenses and Selling expenses - 1 month.

v) Machinery purchased for Rs. 30,000 in March payable on delivery.

vi) Building purchased in April for Rs. 1,50,000 payable in two equal installments in May and July.

vii) Delay in payment of wages - 1 month.

viii) 5% commission of sales payable two months after sales.

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