

Total No. of Questions : 4]

SEAT No. :

P2190

[Total No. of Pages : 3

[5805]-101
M.Com. (Part - I)
MANAGEMENT ACCOUNTING
(2019 Pattern) (CBCS) (Semester - I) (101)

Time : 3 Hours]

[Max. Marks : 60

Instructions to the candidates :

- 1) *All questions are compulsory.*
- 2) *Figures to the right indicate full marks.*
- 3) *Use of calculator is allowed.*

Q1) Define the term 'Marginal Costing'. Explain the advantages and disadvantages of Marginal Costing. **[15]**

OR

From the following budgeted figures prepare a Cash Budget in respect of three months to June 30, 2021. **[15]**

Month	Sales Rs.	Materials Rs.	Wages Rs.	Overheads Rs.
January	60,000	40,000	11,000	6,200
February	56,000	48,000	11,600	6,600
March	64,000	50,000	12,000	6,800
April	80,000	56,000	12,400	7,200
May	84,000	62,000	13,000	8,600
June	76,000	50,000	14,000	8,000

Additional information :

- 1) Expected Cash balance on 1st April, 2021 Rs. 20,000.
- 2) Materials and overheads are to be paid during the month following the month of supply.
- 3) Wages are to be paid during the month in which they are incurred.

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- 4) All sales are on credit basis.
- 5) The terms of credits are payment by the end of the month following the month of sales: Half of credit sales are paid when due the other half to be paid within the month following actual sales.
- 6) 5% sales commission is to be paid within in the month following sales.
- 7) Preference Dividends for Rs. 30,000 is to be paid on 1st May.
- 8) Share call money of Rs. 25,000 is due on 1st April and 1st June.
- 9) Plant and machinery worth Rs. 10,000 is to be installed in the month of January and the payment is to be made in the month of June.

Q2) Define the term 'Working Capital'. Explain the factors to be considered while determining working capital. **[15]**

OR

You are given the following data for the year 2021 for a factory.

Output : 40,000 units

Fixed expenses : Rs. 2,00,000

Variable cost per unit : Rs. 10

Selling price per unit : Rs. 20

How many units must be produced and sold in the year 2022, if it is anticipated that selling price would be reduced by 10%, variable cost would be Rs. 12 per unit, and fixed cost will increase by 10%? The factory would like to make a profit in 2022 equal to that of the profile in 2021. **[15]**

Q3) What do you mean by Management Accounting? Distinguish between Management Accounting and Cost Accounting. **[15]**

OR

Calculate the amount of working capital requirement for RCC Ltd. From the following information:

	Rs.(Per Unit)
Raw materials	160
Direct labour	60
Overheads	120
Total cost	340
Profit	60
Selling price	400

Raw materials are held in stock on an average for one month. Materials are in process on an average for half-a-month. Finished goods are in stock on an average for one month. Credit allowed by suppliers is one month and credit allowed to debtors is two months. Time lag in payment of wages is 1½ weeks. Time lag in payment of overhead expenses is one month. One fourth of the sales are made on cash basis.

Cash in hand and at the bank is expected to be Rs. 50,000; and expected level of production Cash in hand and at the bank is expected to be Rs. 50,000; and expected level of production amounts to 1,04,000 units for a year of 52 weeks.

You may assume that production is carried on evenly throughout the year and a time period of four weeks is equivalent to a month. **[15]**

Q4) Write Short Notes (Any Three) : **[15]**

- Management Accounting as a decision making tool.
- Cost - Volume Profit Analysis.
- Budget Manual
- Inventory Management.
- Standardization of Accounting system.
- Purchasing and leasing.

