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SEAT No. :

**PA-2860**

[Total No. of Pages : 3

**[5956]-101**

**M. Com. (Part - I)**

**101 : MANAGEMENT ACCOUNTING  
(CBCS 2019 Pattern) (Semester - I)**

*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)** What do you mean by Management Accounting? State and explain advantages and limitations of Management Accounting. **[15]**

OR

Costing department of A Limited manufacturing special purpose component has supplied following information about its cost structure - **[15]**

Direct Material Rs. 800/-, Direct Wages Rs. 1,200/- & Variable overheads Rs. 400/- per unit. The Fixed Cost amounts to Rs. 18,00,000/- per annum. The Selling price of the component in local market is Rs. 3,000/- per unit.

You are required to find out:-

- a) P/V Ratio.
- b) Break even sales and Break Even Units.
- c) How many units of component are required to be sold to make profit of Rs. 15,00,000/-
- d) A Company has received export order to supply 2,000 Units at Rs. 2,750/- per unit. If company accepts this order variable cost will be increased by Rs. 50/- per unit without change in fixed cost. Advise the management whether the export order should be accepted or not.

**Q2)** Define Budget and budgetary control. State and explain objectives and limitations of budgetary control. **[15]**

OR

**P.T.O.**

From the following information prepare a Cash Budget of Garud Ltd., Pune for 3 Months ended on 30<sup>th</sup> June, 2021. [15]

| Months         | Sales in Rs. | Purchases in Rs. | Wages in Rs. | Overheads in Rs. |
|----------------|--------------|------------------|--------------|------------------|
| January, 2021  | 20,00,000/-  | 12,00,000/-      | 2,40,000/-   | 4,00,000/-       |
| February, 2021 | 24,00,000/-  | 16,00,000/-      | 2,80,000/-   | 4,40,000/-       |
| March, 2021    | 26,00,000/-  | 16,00,000/-      | 2,80,000/-   | 4,40,000/-       |
| April, 2021    | 20,00,000/-  | 16,00,000/-      | 3,00,000/-   | 4,00,000/-       |
| May, 2021      | 22,00,000/-  | 12,00,000/-      | 3,00,000/-   | 4,80,000/-       |
| June, 2021     | 28,00,000/-  | 18,00,000/-      | 3,60,000/-   | 4,00,000/-       |

Other Information -

- 25% of the sales are on cash and balance on credit basis.
- 50% of the credit sales are collected in next month and the balance in the following month.
- All purchases are made on credit basis and paid after three months of purchases.
- Wages are paid on monthly basis and Overheads are paid in the same month.
- Advance payment of Tax in the month of June, 2021 Rs. 70,000/-
- Cash balance on 1<sup>st</sup> April, 2021 is Rs. 6,00,000/-
- Board of Directors expected to pay equity dividend of Rs. 1,50,000/- in the Month of June 2021.

**Q3)** What is Marginal Cost and Marginal Costing? State and Explain utility and limitations of Marginal Costing. [15]

OR

Following information is provided by ABC industries Limited to determine the quantum of Working Capital needed by the company for forthcoming financial year. [15]

Estimated Annual Sales 52,000 units @ Rs. 100/- per unit.

The following percentages which various elements of cost bear to the selling price have been extracted from the Pro-forma Cost Sheet -

Material - 30%      Labour - 30%      Overheads - 20%

Following further particulars are available -

- a) Raw Materials are expected to remain in stock for an average period of six weeks before issued to production.
- b) Finished Goods are to stay in the warehouse for one and half months on the average before being sold & sent to customers.
- c) Each unit of production will be in process on an average for two weeks (Stage of completion in respect of Labour 75% and Overheads 60%).
- d) Credit allowed by suppliers of materials is two month.
- e) Debtors are allowed eight weeks credit.
- f) Lag in payment of wages is of one months & that of for overheads is six weeks.
- g) Add 20% for contingencies.
- h) Sales and Productions follow a consistent pattern and a year consists of 52 weeks.

**Q4) Write Short Notes On (Any Three)**

**[15]**

- a) Tools and Techniques of Management Accounting
- b) Flexible Budget.
- c) Make or Buy Decision.
- d) Limitations of Financial Accounting.
- e) Types of Working Capital.

