HA-010-001502 Seat No. _____

B. B. A. (Sem. V) (CBCS) Examination

May / June – 2017

Management Accounting - I

(New Course)

Faculty Code : 010
Subject Code : 001502

Time : $2\frac{1}{2}$ Hours] [Total Marks : **70**

Instructions : (1) Give answer of all the questions in answer book.
(2) Show working note as part of your answer.
(3) All questions are equal marks.

1 Following particulars are from records of Madhav Ltd. **14**

Year	Sale Rs.	Result Rs.
2006	2,00,000	+30,000
2007	75,000	–7,500

Find Out :

(1) PV Ratio
(2) Fixed Exp.
(3) Total Variable expenses of 2007
(4) BEP Sale
(5) Margin of Safety for 2006
(6) If margin of safety is 20% then actual sale
(7) Sale reqd. in 2008 to reduce the loss by 20%.

OR

1 (A) The following information has been obtained from the costing department of Parth Ltd. **7**
(1) Variable cost per unit Rs. 24.
(2) Total fixed cost Rs. 1,92,000 If demand for the product is 20,000 units, what selling price must the company charge in order to make a profit of 20% sales.

(B) In Kiran Ltd. The cost of production includes variable expenses of Rs. 6 per unit. During a period of time the company reaches break-even by earning a contribution of Rs. 4 per unit, amounting to Rs. 4,00,000 What amount of sales is needed to earn a profit of Rs. 4,00,000 ? **7**

2 Following is the information of Amidhara Lmt. Business. 14

Particulars	Factory X	Factory Y
Selling price per unit	60	50
Variable cost per unit	.40	35
Fixed cost	2,40,000	3,00,000
Depreciation included in above fixed cost	40,000	30,000
Sales (Units)	40,000	30,000

Find out :

(1) B.E.P. Units for each factory.
(2) Cash B.E.P. for each factory.
(3) B.E.P. Units for a company as a whole assuming present product mix.

OR

2 The production committee of Kishan Ltd. Wants to prepare the Budget for 6 months ending on 31-12-2016 and the following information is for their consideration. The company manufactures three types of products. 14

Sales (in unit)	**Product-A 10,000 Rs.**	**Product-B 8,000 Rs.**	**Product-C 4,000 Rs.**
Sales value	1,00,000	96,000	32,000
Variable expenses	40,000	38,000	13,000
Overhead charges	20,000	18,000	11,000
Fixed expenses	30,000	27,000	10,000
Profit/loss	10,000	13,000	(2000)

The purchase officer informs that during the next six months, only 92,000 kgs. of raw-materials will be available. The consumption per unit of raw material in respect of each type of product is as under :
For "A" per unit 8 kgs; For "B" per unit 4 kgs; For "C" per unit 1 kgs. of raw material
From the above mentioned information for the budget, state what should be out put of each product so as to maximise the profit ?

3 Prepare a flexible budget for a Shivangi Engineering company at 60% and 100% capacity from the information given below : 14

Fixed Expenses :	**Rs.**
Production salary	42,000
Rent and Rates	28,000
Depreciation	35,000

Sundry Office Expenses	44,500
Total	1,49,500

Semi-Variable Expenses : (At 50% capacity)	**Rs.**
Maintenance of plant	12,500
Indirect wages	49,500
Salary of salesman	14,500
Sundry expenses	13,000
Total	89,500

Variable expenses : (At 50% capacity)	**Rs.**
Materials	1,20,000
Wages	1,28,000
Salesman's commission	19,000
Total	2,67,000

Assume that semi-variable expenses remain constant between 40% to 70% of capacity; increasing by 10% between 70% and 85% capacity and increasing by 15% between 85% and 100% capacity. It is estimated that at 60% capacity sales would be Rs. 5,10,000. While at, 80% and 100% capacity it would be Rs. 6,80,000 and Rs. 8,50,000 respectively.

OR

3 Prepare cash budget for January to June from the following information: **14**

(1) Estimated Sales and expenses :

Month	**Sales Rs.**	**Expense of Salary (Rs.)**
November	2,00,000	30,000
December	2,20,000	28,000
January	2,40,000	32,000
February	2,60,000	34,000
March	2,80,000	26,000
April	1,80,000	18,000
May	2,60,000	24,000
June	1,40,000	22,000

(2) 20% of the sales are for cash and the balance on credit.

(3) The firm has a gross margin of 20% on sales.

(4) 40% of credit sales are collected in the month following the sales 30% in the second month and 25% in the third month following the sales remaining is bed debt. Assume there is no sale in October and sale of July is equal to the sale of June.

(5) Material for the sale of each month is purchased one month in advance on a credit for 2 months.

(6) Time lag in payment of salary is one fourth of a month.
(7) Debentures of Rs. 50,000 were issued in May.
(8) Cash balance at the end of December Rs. 60,000.

4 The following is the standard mix of production of Product – A. **14**

Materials	kgs.	Price per kg. Rs.
X	20	17
Y	12	18
Z	8	13

The standard loss is 10% of units introduced. Actual production is 540 kgs. The actual consumption and cost of material used is as under

Materials	kgs.	Total Price Rs.
X	320	6,400
Y	120	1,800
Z	200	1,800

Calculate the following variances :
(1) Material cost variance
(2) Material price variance
(3) Material usage variance
(4) Material mix variance
(5) Material yield variance

OR

4 Calculate all Possible variances related to Labour. **14**

Particular	Standard Hour's	Standard Rate	Actual Hour's	Actual Rate
Skilled Labour	400	10	600	22
Semi Skilled Labour	1000	6	1200	14
Unskilled Labour	600	8	1200	12.5
	2000		3000	

5 "Management Accounting is the best tool for the management to achive higher profit and efficient operation." -Discuss. **14**

OR

5 Define the Management Accounting, what is Different between management accounting and cost accounting. **14**