MCQ-010-001502 Seat No. ________

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

May / June - 2018

502 : 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 one answer book only.
(2) Show working as a part of your answer
(3) Figures to the right sinde indicate full marks of the question.

1 Discuss in brief, the advantages and limitations of Management Accounting. **14**

OR

1 Distinguish Financial Accounting and Management Accounting. **14**

2 Following information has been taken from the accounting records of Alpha Ltd. **14**

Total Sales :	Rs. 1,50,000
Unit Sold	50,000
Total Variable costs :	Rs. 75,000
Fixed costs :	Rs. 45,000

You are required to compute :

(1) Per unit and total contribution
(2) Break-even-point in units and in rupees sales
(3) Margin of Safety in units and in rupees and
(4) Per unit and total Profit.

OR

2 Following information has been collected from the records of Bravo Ltd. **14**

Particulars	**2015-16**	**2016-17**
Sales (Rs.)	15,00,000	20,00,000
Profits (Rs.)	3,00,000	5,00,000

You are required to compute :

(1) P/V ratio
(2) Total fixed expenses
(3) Sales required to earn a profits of Rs. 9,00,000
(4) Profit or loss if sales were Rs. 28,00,000

3 Charlie Ltd. is producing product "P". It has two alternative processes to produce this product, Process X and Process Y. Following data have been provided to you. **14**

Particulars	**Process X**	**Process Y**
Variable cost per unit (Rs.)	12.00	14.00
Sales price per unit (Rs.)	20.00	20.00
Total fixed cost per month (Rs.)	2,50,000	1,75,000
Production capacity per month (Units)	36,000	41,000
Anticipated sales for next month (Units)	33,000	33,000

You are required to suggest :

(1) Which process should be chosen? Why?
(2) What will be your suggestion if variable cost per unit in process B is Rs. 15?

OR

3 Delta Ltd. is producing an automobile part "X". Its production capacity is 1,00,000 units per annum. At present it produces 60,000 units and sales at Rs. 15 per unit. The composition of its cost per unit is as under : **14**

Direct materials : Rs. 4, Direct wages: Rs. 2, Variable Factory overhead : Rs. 3 and Fixed Factory overhead Rs.3.

Following are the anticipations for the year :

(1) Sales 60,000 units at Rs. 15 per unit
(2) Direct materials cost will go up by 5%
(3) Direct wages will go up by 20%
(4) Fixed factory overheads will go up by 10%.

It further receives an order from abroad for 20,000 units, what minimum prices should be quoted for this new order in order to earn overall profit of Rs. 1,80,000?

4 Echo Ltd. wishes to arrange overdraft facilities with its bankers during the period April to June 2017, when it will manufacture mainly for stock. Prepare a Cash Budget for the above period from the following data, indicating the extent of the bank overdraft facilities the company will require at the end of each month. **14**

(1) Sales, purchases and wages

	Sales (Rs.)	**Purchase (Rs.)**	**Wages (Rs.)**
February	1,80,000	1,24,000	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

(2) 50% of sales are realized in the month following the month of sales and remaining 50% in the second month following

(3) Suppliers are paid in the month of purchase.

(4) Wages are paid fortnightly

(5.) Cash as on April 1, 2017 is estimated Rs. 25,000

OR

4 Friends Ltd. manufactures a Pen drive. The budgeted expenses for producing 10,000 pen drives are given below: **14**

Particulars	**Cost per Unit (Rs.)**
Direct materials	60.00
Direct wages	30.00
Variable overheads	30.00
Fixed overheads	15.00
Selling expenses (10% fixed)	15.00
Administrative expenses (Rs. 50,000 rigid for all level of production,	05.00
Distribution expenses (20% fixed)	05.00
Total cost per unit	160.00
Profit	90.00
Selling price	250.00

Prepare a budget for 6,000, 7,000 and 8,000 units of Pen drive showing data per unit as. well as for total production.

5 Following is the standard cost of producing product X : **14**

Materials A: 40% at Rs. 25 per Kg.

Materials B: 60% at Rs. 36 per Kg.

A standard loss of 5% is expected in production.

During August 2017, 370 Kg of product X was produced for which usage of materials were as under :

Materials A: 125 Kg at Rs. 27 per Kg

Materials B: 275 Kg at Rs. 34 per Kg.

You are required to calculate :

(1) Direct Materials Cost Variance

(2) Direct Materials Price Variance

(3) Direct Materials Usage Variance

(4) Direct Materials Mix Variance.

OR

5 Standard labour hours and rate for production of one unit of Product P is given below : **14**

Labour	**Hours per unit**	**Rate per hours**	**Total (Rs.)**
Skilled	5	15	75
Unskilled	10	7	70
		Labour cost per unit	145

Actual production was 1,000 units for which labour cost incurred was as under:

Skilled : 4,500 hours at Rs. 20 per hour

Unskilled : 10,000 hours at Rs. 6 per hour

You are required to calculate :

(1) Labour Cost Variance

(2) Labour Rate Variance

(3) Labour Efficiency Variance

(4) Labour Mix Variance.