



**RP-010-001502**

Seat No. \_\_\_\_\_

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

**February - 2019**

**Management Accounting - I**

*(Old Course)*

**Faculty Code : 010**

**Subject Code : 001502**

Time :  $2\frac{1}{2}$  Hours]

[Total Marks : 70

- Instructions :** (1) All the questions are compulsory.  
(2) All the questions carry equal marks.  
(3) Figures at the right side indicate marks of each question.  
(4) All necessary calculations are to be shown as a part of your answer.

- 1 The Following information relates to DEVARSH Limited. 14

Years	Sales (Rs.)	Profit (Rs.)
2016	2,00,000	(-15000) loss
2017	3,00,000	25000 Profit

From the above information, Find Out :

- (1) Profit Volume Ratio
- (2) Fixed Cost
- (3) Variable Cost in Year 2017
- (4) Break Even Point (in Rs.)
- (5) Probable Profit when sales is Rs. 4,00,000
- (6) Probable Sales when Loss of Rs. 5,000
- (7) Determine Margin of safety when sales is Rs. 3,00,000.

**OR**

- 1 Following is the information of PRISHA Ltd. 14

Units of Output	:	7,50,000
Fixed Cost	:	Rs. 11,25,000
Variable Cost per Unit	:	Rs. 3
Sales Price Per Unit	:	Rs. 7.50

Find Out :

- (1) Break Even Point (In Rs. and In Units)
- (2) Profit Volume Ratio.
- (3) The Sales required to earn profit of Rs. 9,00,000 (In Rs. and In Units)
- (4) Probable Profit if 6,00,000 Units are sold at Rs. 15 Per Unit.

- 2 SHREEYA Ltd. Manufactures Two product, The Details of Cost records are as under : 14

Particulars	Product - A	Product - B
Direct Material Per Unit	Rs. 180	Rs. 160
Direct Labour (Rate per hour Rs. 4)	15 Hours	10 Hours
Selling Price Per Unit	Rs. 350	Rs. 300
Variable Overheads (% of Direct Labour)	150%	150%
Total Fixed Cost Rs. 7500		

Company considers following alternatives regarding sales mix :

- (1) 240 Units of A, and 260 Units of B.
- (2) 430 Unit's of B Only.
- (3) 170 Units of A, and 360 Units of B.
- (4) 770 Units of A Only.

Which alternative will you recommend ?

**OR**

- 2 BANSI Ltd. Manufactures a product for which loose Part-C is used. The company can produce Part-C in the factory or can purchase from outside supplier. If it is manufactured, Cost will be : 14

Material Per Unit                      Rs. 10  
Direct Wages Per Unit                Rs. 5  
Fixed Cost                                Rs. 2,00,000 p.a.

Besides company shall have to incur Rs. 10000 as testing and supervision charges per month. Company's requirement is 30,000 p.a. Units of Part-C. An outside supplier is ready to supply Part-C at Rs. 18 Per Unit. You have to advise whether it should be Manufactured or should be purchased from outside supplier ?

What will be your advice if Company's requirement is 50,000 p.a. Units of Part-C ?

- 3 The following particulars are obtained from the records of KARTAVYA Ltd. For the two level of activity. 14

Particulars	60% Capacity (In Rs.)	100% Capacity (In Rs.)
Cost of direct material	9,000	15,000
Direct Wages	6,000	10,000
Indirect Wages	3,000	5,000
Repairs and Maintenance	6,500	9,500
Power and Fuel	3,750	5,750
Rent	12,000	12,000
Depreciation	10,000	10,000
Insurance	6,000	6,000
Administrative overheads	10,000	14,000
Selling overheads	6,000	8,000

Total production capacity at 100% level is 5,000 Units.

Prepare Flexible Budget at 70% and 90% Capacity.

OR

- 3 From the following information of KSHAMA Ltd., Prepare a cash budget for the three months ending on December -2017 : 14

Months	Purchase (Rs.)	Sales (Rs.)	Wages (Rs.)	Ind. Exp. (Rs.)
August	20,400	40,000	7,600	3,800
September	20,000	42,000	7,600	4,200
October	19,600	46,000	8,000	4,600
November	20,000	50,000	8,400	4,800
December	21,600	60,000	9,000	5,000

**Other Information :**

- (1) Out of total sales, 10% is cash sales, 50% amount of credit sales is collected in the month after sales and remaining in second month after sale.
- (2) Creditors allow 2 months credit while time lag for wages is 1/5 and for indirect Expenses is 1/2 month.
- (3) Cash Balance as on 1-10-17 is Rs. 8,000
- (4) A machine worth Rs. 1,00,000 will be purchased in August - 2017 and monthly Installment of Rs. 5000 will start from October - 2017.
- (5) Dividend is payable in December - 2017 on 10% Preference capital of Rs. 30,000.
- (6) A vehicle will be sold worth Rs. 20,000 in December - 2017.
- (7) Advance Income Tax of Rs. 5,000 is payable in December - 2017.

- 4 From The Following details of KOYO Ltd. Find out : 14
- (1) Material Cost Variance
  - (2) Material Price Variance
  - (3) Material Usage Variance
  - (4) Material Mix Variance

Material	Std. Qty. (Kgs)	Std. Price (Rs. in Lacs) Per Kg.	Act. Qty. (Kgs)	Act. Price (Rs. in Lacs) Per Kg.
A	100	5.00	120	4.00
B	80	4.00	70	4.50
C	60	3.00	50	3.25
<b>Total</b>	<b>240</b>		<b>240</b>	

**OR**

- 4 From the following information of RUDRAKSH Ltd. 14
- Calculate :
- (1) Labour Cost Variance
  - (2) Labour Rate Variance
  - (3) Labour Efficiency Variance
  - (4) Labour Mix Variance

Types of Workers	Standard Hours	Standard Rate	Actual Hours	Actual Rate
Skilled	3000	4.00	2800	5.00
Unskilled	4800	2.00	6000	1.00
Semi-skilled	2400	3.00	2520	3.00

- 5 Differentiate between : Cost Accounting and Management Accounting. 14

**OR**

- 5 Discuss The Scope and Functions of Management Accounting. 14