



JX-010-001502

Seat No. _____

B. B. A. (Sem. V) Examination
October - 2019
Management Accounting - I : 502
(Old Course)

Faculty Code : 010
Subject Code : 001502

Time : **2:30** Hours]

[Total Marks : **70**

- Instructions :** (1) All questions carry equal marks.
(2) Figures to the right side indicate marks.
(3) Necessary calculations as a part of answer.

1 Write short notes : (any **two**) **14**

- (1) Utilities of Management Accounting System.
- (2) Functions of Management Accounting.
- (3) Tools of Management Accounting.
- (4) Limitations of Management Accounting.

2 Following are the particulars of Madhav manufacturing unit : **14**

Day	Sales (Rs.)	Profit (Rs.)
Friday and Saturday	20,000	4,200

Sales and Profit of Saturday are Rs. 3,000 and Rs. 1,800 more than those of Friday respectively.

Calculate :

- (1) Break even point
- (2) If sales on Sunday is Rs. 6,000 then find the amount of Profit and Loss.

OR

- 2 The Profit volume ratio of Amidhara Ltd. is 50% and margin of safety is 40%. If the sales are Rs. 12,00,000, then find out : 14
- (1) Break even point
 - (2) Fixed expenses in Rs.
 - (3) Net Profit in Rs.
 - (4) M.O.S. in Rs.
 - (5) Sales to earn profit of Rs. 30,000.

- 3 Krishna company installed capacity to manufacture 1,00,000 units per month. The marginal cost of manufacturing is Rs. 0.15 per unit, whereas its total fixed costs are Rs. 40,000. Company works at 80% of its production capacity and it has fixed its selling price at Rs. 0.75 per unit. If a company receives an order from the foreign dealer to purchase remaining production of 20% capacity at Rs. 0.50 per unit and if this proposal does not affect the selling price of local market. Then would you advice to accept this offer ? 14

OR

- 3 Murlidhar company producing two products X and Y. The information regarding them is given below : 14

Particulars	Product X (Rs.)	Product Y (Rs.)
Direct Material (per unit)	20	12
Direct wages (per unit)	05	03
Variable cost (per unit)	05	03
Selling price (per unit)	50	28

Total fixed cost Rs. 80,000.

Which of the following sales mix should be adopted to maximize the profit ?

- (1) 2,000 units of X and 4,000 units of Y.
- (2) 3,000 units of X and 3,000 units of Y.

4 Draw out cash budget of Hetang Ltd. for April to June, 2016 from the following information : 14

- (1) Cash and Bank Balance on 1-4-2016 Rs. 25,000.
 (2) Gross profit rate on cost 25%.

(3)

Month	Total	Purchases	Opening Stock	Overheads Expenses
		Rs.	Rs.	Rs.
March	1,50,000	10,000	21,000	
April	1,60,000	15,000	22,750	
May	1,80,000	20,000	26,750	
June	2,00,000	25,000	28,500	
July	2,10,000	30,000	30,000	

- (4) A machine costing Rs. 18,250 to be purchased in May 2016 Rs. 10,000 is payable in the same month and the balance amount in the following month.
 (5) 80% of purchases and sales are on credit terms.
 (6) Time lag : Credit sales 1 month, Credit purchases 1/2 month.

OR

4 A department of a company "Radha Ltd." attains sales of Rs. 6,00,000 at 80% of its normal capacity. Its overheads are given below : 14

Administration Costs :

Office Salaries.....	Rs. 90,000
General expenses.....	2% of sales
Depreciation.....	Rs. 7,500
Rates and Taxes	Rs. 8,750

Distribution Costs :

Wages	Rs. 15,000
Rest	1% of sales
Other expenses	4% of sales

Selling Costs :

Salaries	8% of sales
Travelling exepnswes	2% of sales
Sales office expenses.....	1% of sales
General expenses	1% of sales

Draw up flexible budget for 80%, 90% and 110% of normal capaity.

- 5 Rewrite the following table filling the blanks with missing figures. Show necessary calculations. 14

Materials	Standard quantity in kg.	Standard price Rs. per kg.	Actual use kg.	Actual price Rs. per kg.	Material cost variance Rs.	Material price variance Rs.	Material usage variance Rs.
x	1400	21	1540	-	-	-2,695	-
y	1050	14	910	-	-1,225	-	-
z	1750	17.50	-	15.75	-	-	-3,675

OR

- 5 Data about standard cost of a unit of output in a factory is as follows : 14

Materials : 4 kg at Rs. 100 per kg.	Rs. 400
Labour : 50 Hours at Rs. 2 per hour	Rs. 100
	Rs. 500

Data about actual cost :

Materials : 390 kg of Rs. 104 per kg	Rs. 40,560
Labour : 4920 hours at Rs. 2.20 per hour	Rs. 10,824
Total	Rs. 51,384

Therefore Actual production : 100 units.

Calculate materials and labour variances.