



**BCH-010-001502**

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

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

**August - 2021**

**Management Accounting - I**

*(Old Course)*

**Faculty Code : 010**

**Subject Code : 001502**

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

[Total Marks : 70

INSTRUCTION:

- 1) Give answer all the question in answer book
- 2) Show working note as part of your answer
- 3) All questions are equal marks

1 “Management Accounting is the best tool for the management to achieve higher profit and efficient operation.”-Discuss. [14]

OR

1 Define the Management Accounting. What is Different between management accounting and cost accounting? [14]

2. Rahul Ltd. suffers loss at 20% of sale in month of January. In February [14]  
sale is doubled than that of January and earns profit at 5% of sale.

In March, Sale is twice that of in February which is Rs.4,00,000 and earns profit of Rs.70,000. From The Above Details,

Find Out :

- (1) Profit Volume Ratio.
- (2) Fixed expenses.
- (3) Break even point.
- (4) Sale for three months and profit/loss of each month.
- (5) Margin of safety for month of march.
- (6) Profit, When selling is Rs.6,00,000.

OR

2. From the following information calculate: [14]

- (1) P. V. Ratio.
- (2) Break Even Point (in Rs.)
- (3) Expected Profit when selling is Rs.15,00,000.
- (4) Amount of sale, when loss is Rs.80,000.
- (5) Margin of safety for the year 2015-2016.

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[ Contd....

<u>Year</u>	<u>Cost(Rs.)</u>	<u>Profit or Loss(Rs.)</u>
2014-2015	8, 20,000	-20,000 (Loss)
2015-2016	11, 20,000	+80,000 (Profit)

3 Prem Company Limited manufactures three Products and following information is collected from the books of accounts: 14

Particular	Products		
	X	Y	Z
Sales Mix(in %)	35	35	30
Selling Price (in Rs.)	30	40	20
Variable cost (per units Rs.)	15	20	12

Total Fixed cost Rs.540000

Total Sales Rs. 1800000

Another Product M is developed by the company to replace Product Z. in this context following estimates are made:

Particulars	Products		
	X	Y	M
Sales Mix(in %)	45	25	30
Selling Price (in Rs.)	30	40	30
Variable cost (per units Rs.)	15	20	15

No change is estimated in fixed cost and selling price. Do you think that the replacement decision is advisable? Explain your answer.

OR

3 The directors of a company intend to prepare a budget for the coming year. You are required to Present a marginal cost statements for each products before the board of directors and to determine, which of the following mix must be adopted. 14

- 1) 600 units of A and 400 units of B
- 2) 1200 units of A only
- 3) 800 units of B only
- 4) 800 units of A and 300 units of B

You are given the following Additional Information:

Fixed Overheads: Annual Rs. 22000

	A	B
Direct Wages: 60 paise per hour	25 hours	35 hours
Variable overheads: 100% of direct wages		
Direct Materials	Rs. 25	Rs. 30
Selling Price	Rs. 80	Rs. 140

4 Prepare a flexible budget for a Shivangi Engineering company at 60% 80% [14]  
100% Capacity from the information given below:

<b>Fixed Expenses :</b>	<b>Rs.</b>
Production salary	42,000
Rent And Rates	28,000
Depreciation	35,000
Sundry Office Expenses	44,500
Total	1,49,500

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

<b>Variable expenses : (At 50% capacity)</b>	<b>Rs.</b>
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% to 85% capacity and increasing by 15% between 85% to 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

4 Prepare cash budget for MADHAV Ltd. From 1<sup>st</sup> March, 2018 to 31<sup>st</sup> August [14]  
2018 from the details given below:

The opening cash balance as on 1<sup>st</sup> March is Rs.20,000.

Month	Sales	sales Expenses	purchases	Wages Expenses	Factory administraton Expenses	Expenses
	Rs.	Rs. ↓	Rs. ↓	Rs.	Rs.	Rs.
January	1,70,000	7,000	80,000	15,000	10,000	5,000
February	1,60,000	7,500	84,000	16,000	11,000	5,500
March	1,82,000	6,500	83,000	16,800	8,000	4,500
April	1,55,000	6,800	83,000	12,000	10,500	4,700
May	1,65,000	7,400	76,000	18,000	12,000	5,400
June	2,00,000	7,000	68,000	16,000	9,600	5,700
July	1,80,000	6,000	70,000	17,000	8,000	5,000
August	2,20,000	5,500	58,000	16,500	9,600	5,500

- (1) Credit period of available from creditors and credit given to clients for 1 month.
- (2) Period of payment (a) Wages 1/8 month.  
(b) Other expenses: 1 month.
- (3) A machine for Rs. 50,000 will be purchased in the month of March, payment of which is to be made on delivery.
- (4) For the building purchased in April for Rs. 1,50,000 payment is to be made in two equal installments in May and July.
- (5) 3% sales commission is to be paid after two months of sales

5 From the following data of kiran company ltd. Compute-

[14]

- 1) Material cost variance
- 2) Material price variance
- 3) Material usage variance
- 4) Material mix variance

Materials	Standard		Actual	
	Quantity (kilo)	Price Rs.	Quantity (kilo)	Price Rs.
A	7200	3.00	6750	3.50
B	2700	4.00	2970	3.75
C	1800	6.00	2214	6.25

OR

5 From the following data of Sai co. ltd. During September 2019 calculate all [14]  
labour variances:

Particular	Standard	Actual
Number of workers employed	300	250
Average monthly wage per worker	Rs. 500	Rs. 600
Number of Working days during the month	25	24
Production units during the month	15000	14000