



M 571

Reg. No. :

Name :

**VI Semester B.A./B.Sc./B.Com./B.B.A./B.B.A.T.T.M./B.B.M./B.C.A./B.S.W./
B.A. Afsal UI Ulama Degree (CCSS – Regular) Examination, April 2012
CORE COURSE IN COMMERCE
6B 14 COM : Management Accounting**

Time: 3 Hours

Max. Weightage : 30

PART – A

This Part consist of **two** bunches of question carrying **equal** weightage of **one**. Each bunch consist of **four** objective type questions. Answer **all** questions.

- I. 1. Two elements of a current ratio are current asset and _____
- | | |
|------------------------|------------------|
| a) Fixed asset | b) Quick asset |
| c) Current liabilities | d) None of these |
2. Which of the following is a non current asset ?
- | | |
|--------------|--------------------|
| a) Good will | b) Cash |
| c) Stock | d) Bill receivable |
3. A factor which influences all other budgets are called
- | | |
|---------------|------------------|
| a) Key factor | b) Cash factor |
| c) Asset | d) None of these |
4. The difference between actual cost and standard cost is known as
- | | |
|--------------|----------------------|
| a) Profit | b) Differential cost |
| c) Variances | d) None of these |
- (W = 1)**

II. State whether the following statements are **true** or **false** :

5. Material price variance = Std. Quantity (Std price – Actual price)
6. Flexible budget changes with the level of activity.
7. Budgeting may be said to be an act of determining costing standard.
8. Flow of funds means increase or decrease of working capital. **(W = 1)**

P.T.O.



PART – B

Answer **any eight** questions in **one** or **two** sentences **each**. **Each** question carries a weightage of **one**.

9. What do you mean by flow of fund ?
10. Define financial statements.
11. What do you mean by ratio ?
12. Mention any two functions of management accountant.
13. How will you calculate debt. equity ratio ?
14. What is net capital employed ?
15. What is short term budget ?
16. Write the formula for calculating material price variance.
17. What is contribution ?
18. What is marginal cost ?

(W = 8×1=8)

PART – C

Answer **any six** questions. Answer not is exceed **one** page. **Each** carries a weightage of **two**.

19. From the following information, ascertain how much the value of sales must be increased by the company to breakeven.

Sales	Rs. 3,00,000
Fixed cost	Rs. 1,50,000
Variable cost	Rs. 2,00,000
20. What are the basic features of marginal costing ?
21. Discuss the preliminary steps for establishing a system of standard costing.
22. The standard materials required for producing 100 units is 120 kgs. of standard price of 0.50 paise per kg. is fixed. 2,40,000 units were produced during the period. Actual materials purchased were 3,00,000 kgs. at a cost of Rs. 1,65,000. Calculate material variance.



23. Find out working capital turnover ratio from the following :

Cash	10,000
Bill receivable	5,000
Sundry Debtors	25,000
Stock	20,000
Sundry creditors	30,000
Cost of sales	1,50,000

24. From the following balances you are required to calculate cash from operations.

Dec. 31

	2010	2011
Debtors	50,000	47,000
Bills receivable	10,000	12,500
Creditors	20,000	25,000
Bills payable	8,000	6,000
Outstanding expenses	1,000	1,200
Prepaid expenses	800	700
Accrued income	600	750
Income received in advances	300	250
Profit made during the year	—	1,30,000

25. The sale director of a manufacturing company reports that next year he expects to sell 40,000 units of a particular product. The production department give the following figures two kinds of rawmaterials A and B are required for manufacturing the product. Each product requires 3 units of material A and two units of material B. The estimated opening balances next year will be

Finished product – 10,000 units material A - 12,000 units material B – 15,000 units.

The desirable closing balance of the end of the year are finished product – 16,000 units, Material A – 14,000 units material B – 15000 units.

Draw up a material purchase per budget.

26. Distinguish between absorption costing and marginal costing.

(W – 6x2=12)



PART - D

Answer **any two** questions. **Each** question carries a weight of **four**.

27. The following data are available from the records of a company.

Sales	60,000
Variable cost	30,000
Fixed cost	15,000

You are required to :

- Calculate the P/V ratio, BEP, margin of safety at this level.
- Calculate the effect of 10% increase in sale price.
- Calculate the effect of 10% decrease in sale price.

28. From the following balance sheet as on 31-12-2008 and 31-12-2009, you are required to prepare a schedule of changes the working capital and funds flow statement taking the provision for tax and proposed dividend as non-current liabilities.

Balance Sheet					
31 st Dec.			31 st Dec.		
Liabilities	2008	2009	Assets	2008	2009
Share capital	10,000	15,000	Fixed asset	10,000	20,000
P and L A/c	4,000	6,000	Current asset	13,000	14,500
Provision for tax	2,000	3,000			
Proposed dividend	1,000	1,500			
Sundry creditors	4,000	6,000			
Outstanding expenses	2,000	3,000			
	23,000	34,500		23,000	34,500

Additional Information :

- Tax paid during the year 2008 Rs. 2,500
- Dividend paid during 2008 Rs. 1,000.

29. Describe the essential steps of a budgetary control system.

(Wight : 2x4=8)