

Total No. of Questions : 5]

PC3006

[6380]-1001

First Year M.B.A.

101GC-01 : MANAGERIAL ACCOUNTING

(2019 Pattern) (Revised) (Semester - I)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Each question carries equal marks.

Q1) Solve any five questions :

[10]

- a) Define convention of consistency.
- b) What is margin of safety?
- c) What is variance analysis?
- d) Describe Break-even point.
- e) Define objectives of financial statements.
- f) Match the followings.

Column A

Column B

Margin of safety

Fixed cost/contribution per unit

P/V ratio

Fixed cost/P/V ratio

BEP (In quantity)

Total contribution/total sales × 100

BEP (In value)

Total sales less BEP sales

- g) Define opportunity cost.
- h) Describe elements of cost.

P.T.O.

Q2) Answers any two questions.

[10]

- a) Illustrate any two accounting concepts with suitable example.
- b) Explain standard costing with advantages.
- c) Functional budget.

Q3) a) The following trial balance has been extracted from the books of Avinash on 31st March 2022.

[10]

	Debit	Credit
Opening stock	6,00,000	
Drawings	2,20,000	
General expenses	13,500	
Salaries	1,12,000	
Advertizing	8,400	
Discount	6,000	
Bad debts	8,000	
Business premises	1,20,000	
Furniture & fixtures	1,00,000	
Cash in hand	20,600	
Capital		7,00,000
Purchase return		26,000
Sales return	54,000	
Purchases	15,00,000	
Wages	70,000	
General expenses	13,200	
Rent, rates, taxes & insurance	56,000	
Interest	4,300	
Plant & machinery	2,00,000	
Sundry debtors	9,20,000	
Sales		25,00,000
Sundry creditors		6,00,000
Bank over draft		2,00,000
	<u>40,26,000</u>	<u>40,26,000</u>

Adjustments :-

- i) Stock at end was 9,00,000.
- ii) Outstanding rent was ₹5,000 and wages ₹4,000.
- iii) Prepaid insurance ₹3,000 and salaries ₹7,000.
- iv) Provide doubtful debts at 5% on sundry debtors.
- v) Depreciation on plant and machinery 10%, furniture and fixtures 15% and premises at 5%.

OR

- b) As a cost accountant you are required to prepare a statement of cost from the following information relating to Aadesh Enterprises, Pune for the year ended 31st, March 2022. [10]

	₹ (Amt.)
Cost of direct materials	2,00,000
Sales	5,00,000
Direct wages	1,00,000
Office indirect materials	5,000
Cost of special patterns	40,000
Postage and telegrams	2,000
Factory rent & Insurance	5,000
Chargeable direct expenses	2,000
Carriage outward	2,500
Interest on loan	2,150
Printing and stationary	5,000
Factory indirect wages	6,500
Selling on cost	4,000
Travelling salesman's salary	4,000
Factory indirect material	1,000
Donations	8,000
General works overheads	2,000
Bad debts written off	1,000

- Q4) a) Mr. Nadeem gives the following information of his company. [10]

	Product A (₹)	Product B (₹)
Direct materials	20	25
Direct labour @₹1 per hour	10	15
Selling price	60	100
Variable overheads (100% of direct labour)		
Fixed overhead ₹10,000 p.a.		

As a finance executive you are required to present a statement showing the marginal cost of each product and recommend which of the following sales mix should be adopted :

- 900 units A and 600 units of B
- 1800 units of A only
- 1200 units of B only
- 1200 units of A and 400 units of B

OR

- b) The following results of a company for the last two years are as follows : [10]

Year	Sales	Profit
2022	15,00,000	2,00,000
2023	17,00,000	2,50,000

As a cost accountant from the above information you are required to calculate :

- P/V ratio
- BEP
- The sales required to earn a profit of ₹4,00,000.
- Profit when sales are ₹25,00,000.

- Q5) a) As a finance executive prepare a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90%. [10]

Plant capacity	at 80% Amt (₹)
Variable overheads :	
Indirect labour	12,000
stores including spares	4,000
Semi variable overheads :	
Power (30% fixed)	20,000
Repairs (40% variable)	2,000
Fixed overheads :	
Depreciation	11,000
Salaries	10,000
Insurance	3,000
Total overheads	62,000

OR

- b) As a finance executive you are required to evaluate labour cost variance, labour rate variance, labour efficiency variance and idle time variance from the given information : [10]

Standard hours	4000
Actual hours	5000
Idle time on account of machinery breakdown - 200 hours	
Standard rate ₹3 per hour	
Actual rate ₹2.50 per hour	



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[6201]-101

First Year M.B.A.

101 - GC - 01 : MANAGERIAL ACCOUNTING

(Revised 2019 Pattern) (Semester - I) (Theory)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) *All questions are compulsory.*
- 2) *Each question carries equal marks.*

Q1) Attempt any five :

[10]

- a) Mention the different types of expenditure.
- b) List the Users of Accounting Information.
- c) Define Depreciation.
- d) What is Idle Time Variance? Write down its formula.
- e) What do you mean by Break Even Point? Write down its formula.
- f) A new firm commenced business on 1st January, 2024 and purchased goods costing ₹90,000 during the year. A sum ₹6,000 was spent on carriage inwards. At the end of the financial year the cost of goods still unsold was ₹12,000. Sales during the period Jan - March 2024 was ₹1,20,000. What is the gross profit earned by the firm?
- g) If fixed cost is ₹2,50,000 and P/V ratio is 60%, then what is BEP in Rupees?
- h) Fixed budget is also known as _____
 - i) Static Budget
 - ii) Standard Budget
 - iii) Master Budget
 - iv) Flexible Budget

Q2) Attempt any two of the following :

[10]

- a) Explain Dual Aspect concept with suitable example.
- b) Compare and Contrast Capital Receipts and Revenue Receipts.
- c) Explain objectives of Preparing Financial Statements.

P.T.O.

Q3) Solve any one of the following :

[10]

- a) From the following Trial Balance of Mr. Mehta as at 31st March 2024. Prepare Trading & Profit & Loss Account for the year ended 31st March 2024 & Balance Sheet as on that date :

Particulars	Debit ₹	Credit ₹
Capital	-	2,00,000
Land and Building	87,000	-
Plant and Machinery	17,500	-
Goodwill	20,000	-
Drawings	22,600	-
Cash in Hand	1795	-
Stock on 1st April 2023	27,000	-
Wages	10,000	-
Purchases less returns	69,000	-
Carriage Inward	600	-
Commission	6000	-
Insurance Premium	2,000	-
Motor car	3,000	-
Carriage outward	1,400	-
Sales less returns	-	84,000
Salaries	5,000	-
Bank charges	105	-
Reserve for Doubtful Debts	-	1,500
Debtors	20,000	-
Creditors	-	7,500
Total	2,93,000	2,93,000

The following adjustments are to be made :

- Stock in hand on 31st March 2023 was ₹64,000.
- Create a provision of 5% on debtors.
- Outstanding salary amounted to ₹1,000.
- Depreciate Machinery by 10% and Motor Car by 20%.
- Commission includes ₹300 being commission paid in advance.

b) From the following particulars prepare a statement in such form as you consider most suitable for showing clearly all elements of cost : [10]

- i) Prime cost
- ii) Works cost
- iii) Cost of production
- iv) Cost of sales
- v) Profit

Particulars	Amount ₹
Direct Materials	70,000
Indirect Wages	10,000
Factory Rent & rates	50,000
Indirect Materials	500
Depreciation - Furniture	100
General Factory Expenses	5,000
General Selling Expenses	1,000
Office Salaries	4,500
Advertisement	2,000
Bad Debts	4,500
Discount Allowed	1,200
Direct Wages	75,000
Other Direct Expenses	15,000
Office Rent & rates	500
Depreciation of Machinery	1,500
Salary to Managing Director	12,000
Travelling Expenses	1,000
General Office Expenses	1,000
Carriage Outward	1,000
Sales	3,50,000

- Q4) a) SR Ltd. manufactures a product named 'AXBE'. The company has provided the following information to you on the basis of records available from the costing department. [10]

Fixed expenses	₹4,50,000
Variable cost per unit	₹60
Selling price per unit	₹90
Output	45,000 units

You, as the costing manager, are required to furnish the Board of Directors with the following information :

- Contribution
- P/V Ratio
- Break Even Point
- Margin of Safety

- b) The cost structure of Rama Ltd for the year 2023 - 24 is as follows : [10]

Raw material	₹20 per unit
Labour	₹4 per unit
Overheads	₹10 per unit

The fixed overhead of the company are ₹20,000.

The unit selling price of the product is ₹40.

They are facing a down turn in the market. The existing output in different regions is :

	Maharashtra	Goa
Units sold in 2023 - 24	2500	4000
Expected trend in 2024 - 25	-10%	-10%

Looking at the market trends, the company is worried. You, as the finance manager, are required to advise the company whether they should down its operations or continue.

Q5) Solve any one of the following :

[10]

- a) The statement given below gives the flexible budget at 60% capacity. Prepare a tabulated statement giving budget figures at 75% capacity and 90% capacity.

Particulars	Expenses at 60% Capacity (₹)	Nature of Expense
Direct Materials	1,60,000	100% Variable
Direct Labour	40,000	80% Variable
Indirect Materials	48,000	100% Variable
Depreciation	60,000	100% Fixed
Indirect Labour	40,000	40% Fixed
Rent	12,000	100% Fixed
Electric power	8,000	40% Fixed
Repairs and Maintenance	20,000	40% Variable
Insurance on Machinery	12,000	100% Fixed

- b) The following information is available from the cost records of Vaishali & Co. for the month of March - 2024. [10]

Units Produced – 2160 units

	Standard	Actual
Material - quantity	10 Kg for one unit	24,000 Kg
Rate per Kg	₹4	₹4.4
Labour hours	2.5 hours per unit	5940 hours
Wage Rate per hour	₹4	₹5

Calculate the following :

- Material Cost Variance
- Material Price Variance
- Material Usage Variance
- Labour Cost Variance
- Labour Rate Variance



Dec 2023

Total No. of Questions : 5]

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[6118]-1001

M.B.A.

101 : GC-01 : MANAGERIAL ACCOUNTING
(2019 Pattern) (Revised) (Semester - I) (Theory)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Each question carries equal marks.

Q1) Solve any FIVE :

[5 × 2 = 10]

1. i) Purpose of accounting is to provide financial information to
 - a) Shareholders
 - b) Tax Authorities
 - c) Investors
 - d) All of these
- ii) Credit may signify
 - a) Decrease in assets
 - b) Increase in liability
 - c) Increase in capital
 - d) All of these
2. Write any four users of accounting information.
3. Write any two objectives of financial statement.
4. i) Which one of the following is current asset?
 - a) Goodwill
 - b) Machinery
 - c) Debtors
 - d) Building
- ii) The Statement of Financial Position gives the information about
 - a) Assets and Liabilities
 - b) Income
 - c) Expenses
 - d) Credit
5. What is Prime Cost?
6. i) Fixed cost includes _____.
 - a) Property taxes
 - b) Rent
 - c) Insurance premium
 - d) All of the above
- ii) The point of profit at which the total cost will be equal to total revenue is called :
 - a) Break-even point
 - b) Margin of safety
 - c) The profit lines
 - d) Contribution
7. Define standard costing.

P.T.O.

- Q2) Solve any TWO :** **[2 × 5 = 10]**
- Explain the different forms of organization.
 - Explain any two accounting concepts with suitable examples.
 - Write the element wise classification of cost.

a) The following trial balance has been extracted from the books of M/s Jay & Co on 31st March, 2022. [10]

As on 31st March 2022

[6118]-1001

The following adjustments are to be made :

- a) Closing stock on 31-03-2022 was valued at Rs. 1,20,000.
- b) Interest on bank loan was outstanding of Rs. 7,000.
- c) Depreciate plant & Machinery at 10%.

As an Accountant you are required to prepare trading and profit and loss account for the year ended 31st March 2022 and a balance sheet as on that date.

OR

- b) The following figures extracted from the books of Pune Pioneer Products Ltd. for the year ended on 31.3.2022. As a Cost Accountant you are required to prepare a statement of the cost to show the prime cost, factory cost, cost of production, total cost and calculate profit/loss for the year 2021-22. [10]

Particulars	Amount (Rs.)
Direct Material	57000
Direct Wages	28500
Factory rent & rates	2500
Office rent and rates	500
Plant depreciation	1250
Factory manager's salary	2000
Factory heating & lighting	400
Plant repairs & maintenance	1000
Office salary	1600
Director's Remuneration	1500
Telephone & postage	200
Printing & Stationary	100
Administration charges	150
Salesman salaries	2500
Advertisement	1500
Showroom rent	500
Sales	116000

Q4) Solve any ONE :

- a) Pepsi Company produces a single article. Following cost data is given about its product : **[10]**

Selling price per unit- Rs. 40

Marginal cost per unit-Rs. 24

Fixed cost per annum- Rs. 16000

You have appointed as Cost Accountant, analyse the following :

- i) P/V ratio
- ii) Break even sales
- iii) Sales to earn a profit of Rs. 2,000
- iv) Profit at sales of Rs. 60,000
- v) New break even sales, if price is reduced by 10%.

OR

- b) As a Cost Accountant, from the following information you are required to analyse : **[10]**

Year	Sales	Profit
2021	1,20,000	8,000
2022	1,40,000	13,000

- i) P/V Ratio
- ii) BEP
- iii) Profit when sales are Rs.1,80,000
- iv) Sales required to earn a profit of Rs. 12,000
- v) Margin of safety in year 2022

Q5) Solve any ONE :

- a) Bookhive Ltd. is appointed you as a finance executive. As a finance executive you are required to evaluate and prepare a flexible budget to present to the management for the production capacity of 80% and 60%. The expenses budgeted for production of 10,000 units at 100% capacity in a factory are furnished below: **[10]**

	Rs. Per Unit
Material	70
Labour	25
Variable overheads	20
Fixed overheads	10
Variable expenses (Direct)	5
Selling expenses (90% variable)	13
Distribution expenses (80% variable)	7
Administration expenses (Fixed Rs. 50000)	5
Total	<u>155</u>

Assume that administration expenses are rigid for all levels of production.

OR

- b) As a finance executive you are required to assess Material Cost Variance, Material Price Variance and Material Usage Variance from the given information : **[10]**

	Standard			Actual		
	Qty. Kgs.	Price Rs.	Value Rs.	Qty. Kgs.	Price Rs.	Value Rs.
Material A	1200	10	12000	1100	12	13200
Material B	500	16	8000	600	14	8400
Material C	300	20	6000	450	18	8100
	2000		26000	2150		29700
