

Faculty of Commerce**B.Com. III-Year, CBCS – VI Semester Examinations, May/June 2019**

(For All Streams of B.Com)

PAPER: MANAGERIAL ACCOUNTING

Time: 3 Hours

Max Marks: 80

Section-A

I. Answer any FIVE of the following questions. (5x4=20 Marks)

1. What are the limitations of Management Accounting?
2. Calculate Break Even Sales units from the following
 Production (Units) 3,000
 Selling Price per unit Rs.30
 Variable Cost per unit Rs.20
 Fixed Cost Rs.20,000
3. What are the features of Marginal costing?
4. From the following information prepare production budget for Mamatha Company Ltd., as on 30-6-2017

Product	Stock(31-12-2016)	Stock(30-6-2017)	Sales(Units)
A	8,000	10,000	30,000
B	9,000	8,000	25,000
C	12,000	14,000	40,000

5. What are the objectives of Working Capital?
6. Write about Management Information System.
7. From the following particulars calculate Variable cost and P/V Ratio.
 Sales Rs.2,85,000, Fixed Cost Rs.50,000, Profit Rs.60,000
8. What is Zero based budgeting?

Section-B

II. Answer the following questions. (5x12=60 Marks)

9. (a) Explain the Objectives and Functions of Management Accounting.
(OR)
(b) Explain the differences between Management Accounting and Financial Accounting.
- 10.(a) Explain the advantages and assumptions of Cost Volume Profit (CVP) Analysis.
(OR)
(b) The following are the results of a company for the last two years

Year	Sales(Rs.)	Profit(Rs.)
2004	1,50,000	20,000
2005	1,70,000	25,000

Calculate:

- i) P/V Ratio
- ii) Break Even Point
- iii) The required sales to earn a profit of Rs.40,000
- iv) Profit when sales are Rs.2,50,000
- v) Margin of safety at a profit Rs.50,000
- vi) Variable cost for two years

11.(a) Define Marginal Costing? Explain advantages and limitations of Marginal Costing.

(OR)

(b) A manufacturing company finds that while the cost of making a component is Rs.40 each, the same is available in market at Rs.33 with an assurance of continuous supply. Give your suggestion whether to make or buy this component. Give your views in case the supplier reduces the price from Rs.33 to Rs.27.50. The cost data is as follows:

	Rs.
Materials	15
Direct Labour	10
Other variable Expenses	5
Depreciation and other fixed expenses	10
Total	40

12.(a) What is Budgetary Control System? Explain its advantages in an organization.

(OR)

(b) A factory is currently working at 40% capacity and produces 8,000 units'. Estimate the profit of the company when it works at 60% and 80% capacity.

At 60% working, raw material cost increases by 3% and selling price falls by 2%

At 80% working, raw material cost increases by 5% and selling price falls by 5%

At 40% capacity working, the product cost is Rs.180 and is sold at Rs.200. The unit cost at Rs.180 is made up as follows:

	Rs.
Materials	80
Labour	40
Factory Overheads	25(40% fixed)
Administrative Overheads	10(80% fixed)

Selling and Distribution Overheads	25(20%variable)
Total Cost	180
Profit	20
Selling Price	200

13.(a) Explain the factors determining working capital and the advantages of adequate working capital.

(OR)

(b) A cost sheet of a company provides the following particulars

Elements of cost

Material	40%
Direct labour	20%
Overheads	20%

The following further particulars are available:

- It is proposed to maintain a level of activity of 2,00,000 units
- Selling price is Rs.12 per unit
- Raw materials expected to remain in stores for average period of 1 month
- Materials will be in process, on an average of half a month.
- Finished goods are required to be in stock for an average period of 1 month.
- Credit allowed to debtors is 2 months
- Credit allowed by suppliers is 1 month
- You may assume that sales and production follow a consistent pattern

Prepare a statement showing working capital requirements of the company
