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[3875]-102

M.B.A. (Semester - I)

Nov - 2010

(102) : MANAGEMENT ACCOUNTING

(2008 Pattern)

Time : 3 Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) Attempt any four questions from Section - I.
- 2) Attempt any two questions from Section - II.
- 3) Figures to the right indicate full marks.
- 4) Use of non programmable portable electronic calculator is allowed.

SECTION - I

- Q1) Define Management Accounting. Distinguish between Management and Cost Accounting? [10]
- Q2) What are the concepts & conventions in Management Accounting? [10]
- Q3) Explain the concept of overheads. State the causes of under & over absorption of factory overheads? [10]
- Q4) Write short notes on (any two) : [10]
- a) Journal.
 - b) Labour Turnover.
 - c) Types of the Accounts & Rules.
- Q5) Write a note on classification of costs. [10]
- Q6) Define standard costing. Write the advantages and disadvantages of standard costing. [10]
- Q7) What is budget? What are the different types of budget? [10]

**SECTION - II**

- Q8) From the following Trial balance of M/s Sunita Traders prepare Trading & Profit & Loss A/c for the year ended on 31.03.2008 and a Balance Sheet as on that date after considering following adjustments. [15]

P.T.O.

Trial Balance as on 31st March 2008.

Particulars	Debit Rs.	Credit Rs.
Machinery	90,000	
Building	40,000	
Stock (01.04.07)	20,200	
Purchases	1,10,800	
Wages & Salaries	17,000	
Carriage Outward	3,000	
Sundry Debtors	35,000	
General Expenses	9,100	
Rent	1,700	
Bad Debts	650	
Income Tax	300	
Legal Charges	400	
Prepaid Rent	200	
Loan to Mukherjee	17,000	
Drawings	4,300	
Cash in hand	1,350	
Cash at bank	9,750	
Capital		1,15,200
Sundry Creditors		45,000
Bills Payables		4,000
Return Outwards		1,500
Interest & Commission		900
Outstanding Expenses		1,150
Sales		1,90,500
R.D.D.		2,500
Total :	3,60,750	3,60,750

The following adjustments should be taken into consideration.

- Stock on 31st March 2008 was valued at cost Rs. 20,900. Market price was Rs. 24,000.
- Depreciate Machinery at 10% and Building at 5%.
- The reserve for Bad & Doubtful Debts is to be maintained at Rs. 1,000.
- Provide for Reserve for discount on Sundry Creditors at 2%.

Q9) From the following figures extracted from the books of ABC Ltd. for the year ended on 31.03.2008. Prepare cost sheet showing : [15]

- Prime cost.
- Works cost.
- Cost of production.
- Cost of sales and
- Profit.

Particulars	Amount Rs.
Direct Materials	70,000
Indirect Wages	10,000
Factory Rent & Rates	50,000
Indirect Materials	500
Depreciation of Office Assets	100
General Factory Expenses	5,700
General Selling Expenses	1,000
Office Salaries	4,500
Advertisements	2,000
Direct Wages	75,000
Other Direct Expenses	15,000
Office Rent & Rates	500
Depreciation of Machines	1,500
Salary to Managing Directors	12,000
Travelling Expenses	1,100
General Office Expenses	1,000
Carriage Outward	1,000
Sales	2,50,000

Q10) A.B.C. company wishes to arrange Overdraft facilities with its bankers during the period of April to June 2004, when it will be manufacturing mostly for stock. Prepare cash budget for the above period from the following data indicating the extent of bank facilities the company will require at the end of each month. [15]

Month/Year	Sales	Purchases	Wages
Feb 2004	1,80,000	1,24,800	12,000
March 2004	1,92,000	1,44,000	14,000
April 2004	1,08,000	2,43,000	11,000
May 2004	1,74,000	2,46,000	10,000
June 2004	1,26,000	2,68,000	15,000

Additional Information :-

- a) 50% of Credit Sales are realised in the month following the sales & the remaining 50% in the second month following.
- b) Creditors are paid in the month following the month of purchases.
- c) Wages are paid in the month following the month of wages.
- d) Cash at bank on 01.04.2004 Rs. 25,000.

Q11) A company producing single article sales at Rs. 10 each. The Marginal Cost of Production is Rs. 6 & Fixed Cost is Rs. 400 p.a. calculate [15]

- a) P/V Ratio.
- b) Break Even Sales.
- c) The sales to earn profit of Rs. 500.
- d) Profit at sales of Rs. 3,000.



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