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SEAT No. :

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P2314**[4670] - 12****M.B.A.****102 : MANAGEMENT ACCOUNTING
(2008 Pattern) (Semester - I)***Time : 3 Hours]**[Max. Marks : 70**Instructions to the candidates:*

- 1) *Q.No.1 is compulsory.*
- 2) *Attempt any two questions from Section - I and Section - II.*
- 3) *Figures to the right indicate full marks.*
- 4) *Use of simple calculator is allowed.*

Q1) What do you mean by concept and conventions of accounting. Explain Dual Aspect Concept and Separate Entity Concept. **[10]**

SECTION - I

Q2) Explain the concept Management Accounting. Distinguish between Management Accounting and Financial Accounting. **[15]**

Q3) What do you mean by Overheads. Explain the term Over absorption and Under absorption of overheads with its advantages and disadvantages. **[15]**

Q4) What do you mean by Standard Costing? Explain the term material variance and labour variance. **[15]**

Q5) Write Short Notes : (Any Three): **[15]**

- a) Trial Balance
- b) Labour Turnover
- c) Budgetary Control.
- d) Types of Accounts.

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SECTION - II

Q6) The following figures are extracted from the trial balance of Aarya Co. on 31st March 2013. **[15]**

Inventories:

Finished Stock	80,000
Raw Material	1,40,000
Work in Progress	2,00,000
Office appliances	17,400
Plant and Machinery	4,60,500
Buildings	2,00,000
Sales	7,68,000
Sales return	14,000
Materials Purchases	3,20,000
Freight incurred on materials	16,000
Purchase returns	4,800
Direct labour	1,60,000
Indirect labour	18,000
Factory supervision	10,000
Repairs and upkeep factory	14,000
Heat, light and power	65,000
Rates and taxes	6,300
Miscellaneous factory expenses	18,700
Sales commission	33,600
Sales traveling	11,600
Sales promotion	22,500
Distribution deptt. sales and expenses	18,000
Office salaries and expenses	8,600
Interest on borrowed funds	2,000
Closing Inventories	
Finished Goods	1,15,000
Raw material	1,80,000

Work in process	1,92,000
Accrued Expenses on :	
Direct Labour	8,000
Indirect Labour	1,200
Interest on borrowed funds	2,000
Depreciation to be provided on:	
Office appliances	5%
Plant and Machinery	10%
Buildings	4%

Distribution of the following Costs:

Heat, light and power to factory, office and selling in the ratio 8 : 1 : 1

Rates and taxes two third to factory and one third to office. Depreciation on building to factory, office and selling in the ratio 8 : 1 : 1.

With the help of the above information prepare a Cost Sheet of Aarya Co. for the Year ended 31st March 2013.

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Q7) Raj Corporation Ltd. Has prepared the following budget estimates for the year 2012-13. **[15]**

Sales Unit	15,000
Fixed Expenses	Rs. 34,000
Sales value	Rs. 1,50,000
Variables Costs	Rs. 6 per Unit

You are required to :

- a) Find the P/v ratio, break-even point and margin of safety.
- b) Calculate the revised P/v ratio, break - even point and margin of safety in each of the following cases
 - i) Decrease of 10% in selling price
 - ii) Increase of 10% in variable costs
 - iii) Increase of sales volume by 2000 units
 - iv) Increase of Rs. 6000 in fixed costs.

Q8) For the production of 10,000 electric automatic irons; the following are the budgeted expenses: **[15]**

	Per Unit
Direct Material	Rs. 60
Direct labour	Rs. 30
Variable overhead	Rs. 25
Fixed overhead (Rs. 1,50,000)	Rs. 15
Variable expenses (direct)	Rs. 5
Selling expenses(10%)fixed	Rs. 15
Administration expenses (Rs, 50000 rigid for all levels of production)	Rs. 5
Distribution expenses (20%) fixed	Rs. 5
The total cost of sale per unit	Rs. 160

Prepare a budget for the production of 6000 and 7000 and 8000 irons, showing distinctly the marginal cost and the total cost.

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Q9) From the following particulars taken out from the books of Shri Kumar prepare Trading and Profit & Loss Account for the year ended on 31st March 2013 and Balance Sheet as on that date: **[15]**

Trial Balance

Particular	Dr.	Cr.
Sundry Debtors	52,000	
Cash in Hand	2,392	
Creditors		22,000
Furniture	3,500	
Motor Car	22,000	
Purchases	1,45,000	
Sales		2,92,000
Sales Return	2,600	
Salaries	8,420	

Opening Stock	11,400	
Motor Car Expenses	6,108	
Rent, Rates and Taxes	3,600	
Insurance Premium paid on 1 st October 2012	2,400	
Cash at bank	6,200	
Machinery	24,000	
Wages	23,600	
General Expenses	2,680	
Carriage Inward	2,040	
Carriage Outward	1,630	
Fuel and power	6,430	
Capital		20,000
Drawings	8,000	
Total	<u>3,34,000</u>	<u>3,34,000</u>

Additional Information: www.sppuonline.com

- Closing Stock Rs. 35,000.
- Goods worth Rs. 2,000 were distributed as free samples.
- Further bad debts Rs. 2,000 and make provision for bad debts @ 5% on debtors.
- Depreciate Furniture and Machinery by 10% and Motor by 20%.
- Outstanding Wages Rs. 6,400.

