

B.C.C.A.- II (CBCS Pattern) Semester-IV
UBCCAT402 - Management Accounting

P. Pages : 4

Time : Three Hours



GUG/W/24/12046

Max. Marks : 40

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) State the distinction between Cost Accounting and Management Accounting. 4
b) Production cost Gunjan Enterprises Limited are as follows. 4

Level of Activity			
	60%	70%	80%
Output (in Units) Cost (R)	1,200	1,400	1,600
Direct materials	24,000	28,000	32,000
Direct Labour	7,200	8,400	9,600
Factory Overhead	12,800	13,600	14,400
Works Cost	44,000	50,000	56,000

A proposal to increase production to 90% level of activity is under the consideration of management. The proposal is not expected to involve any increase in fixed factory overheads. Prepare a statement showing the prime cost, total cost and total factory cost at 90% level of activity.

OR

- c) From the following forecasts of income and Expenditure. Prepare a Cash Budget for the half year ending on 30th June 2022. 8

Month	Credit sales	Credit Purchase	Wages	Man. Exp	Adm. Exp	Selling Exp.
2021	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Nov	25,000	10,000	2,500	1,100	1,000	600
Dec	30,000	15,000	2,800	1,200	975	650
2022						
January	20,000	10,000	2,000	1,250	1,060	550
February	25,000	15,000	2,200	1,150	1,040	650
March	30,000	17,500	2,400	1,300	1,105	750
April	35,000	20,000	2,600	1,350	1,120	800
May	40,000	22,500	2,800	1,450	1,180	825
June	45,000	25,000	3,000	1,500	1,185	875

Other Additional Information:

- 1) A sales commission of 5% on sales and due two months after sales is payable in addition to the above selling expenses.
- 2) Capital Expenditure-Plant purchased, 1st January, for Rs. 10,000 its payment being immediately due Building purchased in January for Rs. 80,000. Payable in two half-yearly instalments, the first in February.
- 3) A dividend of Rs. 5000 (net) is payable in April.
- 4) Period of credit allowed by creditors and to customers is 2 months.
- 5) Lag in payment of wages - 1/8th month.
- 6) Lag in payment of other expenses - 1 month
- 7) Cash Balance on 1st Jan. 2022 was expected be Rs. 37,500

2. a) Given that 4
 Selling price P. U. Rs. 40
 Variable cost P. U. Rs 24
 Fixed cost Rs. 60,000
 Calculate:-
 1) B. E. P.
 2) Sales to earn a 20% profit on sale
 3) Additional sale to earn a additional profit of Rs. 8,000
- b) A company producing a single article sale at Rs. 10 each. 4
 The marginal cost of production is Rs. 6 each and fixed cost is Rs. 400 p.a.
 Calculate:-
 1) P/V Ratio 2) B. E. P.
 3) Sales to earn a profit of Rs. 500 4) Profit it sale is Rs. 3000
 5) New B. E. P. if the price is produced by 10%

OR

- c) Following information received from the books of a company A and B both are engaged 8
 in same business and sold their product in the same market.

Particular	A (Rs.)	B (Rs.)
Sale	5,00,000	5,00,000
Less Variable Cost	<u>3,00,000</u>	<u>3,50,000</u>
Contribution	2,00,000	1,50,000
Less Fixed cost	<u>1,00,000</u>	<u>50,000</u>
Net profit	1,00,000	1,00,000

Calculate:-

- 1) P/V Ratio for both companies 2) B.E.P. for both companies
 3) Margin of safety for both companies
 4) Which company is in more profitable in following condition?
 a) Heavy demand b) Low Demand

3. a) Calculate (1) Current Ratio (2) Quick Ratio (3) Stock to working capital Ratio 4

Liabilities	Rs.	Assets	Rs.
Share Capital	5,00,000	Fixed Assets	4,00,000
Creditors	1,00,000	Debtors	1,00,000
Expenses Due	50,000	Bills Receivable	1,40,000
Profit and Loss Account	1,50,000	Stock	60,000
		Cash	20,000
		Bank	80,000
	8,00,000		8,00,000

- b) Calculate Gross profit Ratio and operating Ratio. 4

Particulars	Rs.
Opening Stock of material	25,000
Material Purchased	82,000
Carriage Inward	2,000
Closing Stock of material	20,000
Octroi	1,000
Office Expenses	18,000
Selling and Distribution Expenses	12,000
Sales	2,00,000

OR

- c) From the following statement of a Godrej co. ltd for the year ended 31/12/2023 you are required to rearrange the items in the form of financial statements and calculate the following ratios.

- 1) Current Ratio
- 2) Liquid Ratio
- 3) Operating Ratio
- 4) Stock turnover Ratio
- 5) Turnover to Fixed Assets Ratio
- 6) Debtors velocity or Debtors Turnover Ratio or Average of Debtors.
- 7) Creditors turnover Ratio or Creditors velocity.

Balance Sheet

31/12/2023

Liabilities	Rs.	Assets	Rs.
10,000 equity shares of Rs. 5 each	50,000	Land and building	45,000
General Reserve	30,000	Plant and machinery	25,000
P/L Account	20,000	Stock	20,000
Sundry Creditors	20,000	Sundry debtors	20,000
		Cash at bank	10,000
	1,20,000		1,20,000

Trading and Profit and Loss Account

For the year ended 31/12/2023

Particular	Rs.	Particular	Rs.
To. Op. stock	10,000	By sale	
To Purchase (Credit)	80,000	(Credit less returns)	1,60,000
To Gross Profit	<u>90,000</u>	By cl, Stock	<u>20,000</u>
	<u>1,80,000</u>		<u>1,80,000</u>
To office & Adm. Exp.	20,000	By Gross profit	90,000
To selling & Distri. Exp.	10,000	By profit on sale of	
To Other Exp	2,500	fixed assets	2,500
To Net Profit	60,000		
	92,500		92,500

4. a)

Particular	31 st Dec-2021 Rs.	31 st Dec. 2022 Rs.
Machinery	80,000	2,00,000
Accumulated Depreciation	30,000	35,000
P/L account	25,000	40,000

Additional information

- 1) A machine costing Rs. 20,000 was purchased during the year by issue of equity shares.
- 2) On Jan. 2022 a Machine costing Rs. 15,000 (With on accumulated depreciation of Rs. 5,000) was sold for Rs. 7,000

Find out Source and application of funds.

- b) Show the following items in Fund Flow Statement.

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Profit from operation	7,650
Redemption of debenture	5,000
Issue of shares	12,000
Sale of old machinery	15,000
Increase in debtors	5,000
Furniture purchased	2,000
Purchase of building	9,000
New loan taken (Redeemable in 10 year)	15,000
Dividend paid	5,000
Increase in Bank Balance	2,000
Payment to creditors	7,000
Increase in working capital	11,150

OR

- c) Balance sheet of Kalpana company Ltd. As on 31st Dec. 2021 and 31st Dec. 2022 is as follows:

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Particular	2021 (Rs.)	2022 (Rs.)
Share capital	5,000	4,000
General Reserve	4,200	3,180
Retain earning	6,000	3,420
Loan on mortgage	4,000	6,400
Depreciation Fund	1,200	900
Current liabilities	7,000	6,720
	27,400	24,620
Building	4,000	4,000
Land	6,000	8,000
Furniture	3,000	5,000
Current Assets	14,400	7,620
	27,400	24,620

Additional Information

- Dividend paid during the year Rs. 1,500 out of that Rs. 1,000 paid in the form of fully paid up shares.
- A part of land purchase for Rs. 2,500
- A furniture which has book – value Rs. 1,300 after accumulated depreciation Rs. 700 was sold for Rs. 1,000
- Income tax paid during the year Rs. 350. Prepare Fund Flow Statement.

5. Short Note.

- Flexible budgets.
- Importance of Break-Even Point.
- Importance of Ration Analysis.
- Fund flow statement.

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