

M.B.A. (Part-I) (CBCS Pattern) Semester-II
PCB2C03 - Cost and Management Accounting

P. Pages : 3

Time : Three Hours



GUG/S/25/10684

Max. Marks : 70

- Notes : 1. Attempt **any five** questions.
2. All questions carry equal marks.

1. Discuss the different types of cost classifications in Cost Accounting. How does understanding these classifications help in managerial decision-making? **14**
2. How does Cost Accounting contribute to pricing decisions? Discuss the different pricing strategies that businesses adopt based on cost analysis. **14**
3. Discuss the differences between Job costing, Process costing, Contract costing and Batch costing, Provide examples of industries where each method is applicable. **14**
4. What is Budgetary Control? Explain the types of budgets and how they help in financial planning and control. **14**
5. What is Target Costing? How does it help in cost management, especially in competitive markets? Provide real-life industry examples. **14**
6. A manufacture of Computer manufactured 200 Computers in 2022 which he sold for Rs.5,500 each. The cost was made up of- **14**

Particular	Amount
Material	3,50,000
Direct wages	4,25,000
Factory overhead	51,000
General expenses	82,600
	9,08,600

For 2023 Seasons he estimates:-

- 1) That each computer will require material to the value of Rs.2000 and expenditure in wages of Rs.2,200.
- 2) That the factory expenses will bear the same relation to direct wages as in the previous year.
- 3) That the percentage of general expenses on factory cost will be the same as was in the previous year.

Prepare a statement showing the profit he should make per unit of he increases the price of the computer by Rs. 500.

7. From the following particular Prepare **14**
 - 1) Profit and loss account
 - 2) Statement showing the cost of manufacture, Calculate factory on cost at 25% of Prime cost and office on cost 75% of Factory on cost
 - 3) Statement reconciling the profit shown by the cost account with that shown by profit and loss account selling price is fixed at plus 25%.

Stock on 1 st Jan:-	
Raw material	4000
Finished Articles	8000
Stock on 31 st Dec.:-	
Raw material	6000
Finished articles	2000
Purchase of raw material	24000
Wages	10,000
Sales	65,000
Works expenses	7,750
Office expenses	6,100

8. a) If Apple company ltd. current Ratio is 5.5:1, Quick Ratio is 4:1, Inventory is Rs.30,000. What are its current liabilities? **14**
- b) If Orange company Ltd. Inventory is Rs. 60,000, total current liabilities are Rs.1,20,000, Quick ratio is 2:1. Quick ratio is 2:1. Calculate current ratio.
- c) If Banana company Ltd. Current Liabilities are Rs.25,000, Quick Ratio is 1.5:1, Inventory is Rs.12,500. Calculate current assets.

9. From the following information of Vaibhav Dongare Industries Ltd. Prepare Fund flows statement. **14**

Particular	2022	2023
Cash	54,000	90,000
Debtors	1,62,000	1,50,000
Stock	2,40,000	2,10,000
Investment (Long Term)	-----	30,000
Fixed Asset	4,38,000	2,68,500
Goodwill	----	30,000
	8,94,000	7,78,500
Creditors	1,74,000	1,86,000
Short term liability	90,000	99,000
Bills payable	48,000	45,000
Mortgage/Secured Loan	90,000	60,000
Share capital	3,90,000	3,00,000
Profit	1,02,000	88,500
	8,94,000	7,78,500

Adjustment:-

- 1) Fixed asset costing Rs.40,000 was sold for R
- 2) Investment was sold on a profit of Rs.2,000.
- 3) Depreciation charge during the year on fixed asset Rs.30,000
- 4) A part of fixed asset costing Rs.40,000 purchase behalf of fully paid share
- 5) Dividend paid during Year Rs. 21,000 in 2023 Rs. 3,000.

- 10.** A company expects to have Rs 25,000 in Bank on 1st May 2022 and requires you to prepare an estimate of cash position during the three months- May, June July 2022. The Following Information is supplied. **14**

Months	Sales	Purchase	Wages	Office Exp.	Factory Exp.	Selling Exp.
March	50,000	30,000	6,000	4,000	5,000	3,000
April	56,000	32,000	6,500	4,000	5,500	3,000
May	60,000	35,000	7,000	4,000	6,000	3,500
June	80,000	40,000	9,000	4,000	7,500	4,500
July	90,000	40,000	9,500	4,000	8,000	4,500

Other information:

- 1) 20% of sales are in cash, remaining amount is collected in the month following that of sale.
- 2) Suppliers supply goods at two month credit.
- 3) Wages and all other expenses are paid in the following the one in which they are incurred.
- 4) The company pays dividends to shareholders and bonus to worker of Rs.10,000 and Rs.15,000 Respectively in the month of May.
- 5) Plant has been ordered and is expected to be received in June. It will cost Rs.80,000 to be paid in June.
- 6) Income tax Rs. 25,000 is Payable in July.
