

End Semester Examinations - 2015-16 MBA Trimester - May 2016

14MS3009 Management Accounting

Set A

Time : 3 hrs
Total Marks: 100

1. What are fixed costs, variable costs and semi variable costs? Explain using suitable examples
- OR**
2. Explain cost volume profit analysis
3. List the main elements of balance sheet and income statement and explain.
- OR**
4. What are the differences between financial accounting and management accounting?
5. ABC Ltd manufactures pumpsets. The following are the details of the operation during the current year.
Average monthly market demand (motors) – 2000
Ordering cost (per order) – Rs100
Inventory carrying cost (percent per annum) - 20
Cost of motor (per motor) - Rs500
Normal usage (motor per week) - 100
Minimum usage (motor per week) - 50
Maximum usage (motor per week) - 200
Lead time to supply (weeks) - 6 to 8
Compute from above 1. EOQ, 2. Maximum level of stock, 3. Minimum level of stock 4. Reorder level.
- OR**
6. From the following particulars prepare a three months cash budget.(in Lakhs)
The sales forecast for first five months of coming year is forecasted by the manager.
January Rs.40,00,000
February 45,00,000
March 55,00,000
April 60,00,000
May 50,00,000
Other data are as follows:
1). Debtors and creditors balances at the beginning of the year are Rs.30 lakh and Rs14 lakh respectively. The balances of other relevant assets and liabilities are : Cash balance, Rs.7.5 lakh, Stock Rs51 lakh, Accrued sales commission Rs.3.5 lakh.
2) 40% sales are on cash basis and credit sales are collected in the following month.
3) Cost of sales is 60% of sales.
4.) The only other variable cost is a 5% commission to sales agents. Sales commission is paid in the month after it is earned.

- 5) Inventory (stock) is kept equal to the sales requirement for the next two months budgeted sales.
- 6) The trade creditors are paid in the month following purchases.
- 7) Fixed costs are Rs.5 lakh per month, including Rs.2 lakh depreciation.

7. Explain horizontal and vertical financial statement analysis

OR

8. Explain budget, budgeting and the types of budgets

9. Prepare cost sheet from the following particulars:

Raw material purchased	= Rs. 1, 20,000
Paid freight charges	= Rs 10,000
Wages paid to laborers	= Rs 35,000
Directly chargeable expenses	= Rs 25,000
Factory on cost	= 20% of prime cost
General and administrative expenses	= 4% of factory cost
Selling and distribution expenses	= 5% of production cost
Profit 20% on sales	

	Opening stock	Closing stock
Raw material	15,000	20,000
Work in progress	17,500	24,000
Finished goods	20,000	27,500

Wishing you All the Best
