Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_

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**End Semester Examination – Nov/Dec – 2018**

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| **Code :** | **17BB2008** | **Duration :** | **3hrs** |
| **Sub. Name :** | **MANAGEMENT ACCOUNTING** | **Max. marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | **Marks** |
| 1. |  | Compare and contrast Management Accounting and Financial Accounting | CO4 | 20 |
| (OR) | | | | |
| 2. |  | “Management Accounting provides immense help in management decision making”-Discuss | CO4 | 20 |
|  |  |  |  |  |
| 3. |  | Sun Ltd – a manufacturing company submits to you the following details about various expenses incurred by it during the for the month of January, 2018  Direct material 57,000  Direct wages 28,500  Factory rent and rates 2,500  Office rent and rates 500  Plant repairs and maintenance 1,000  Plant depreciation 1,250  Factory heating and lighting 400  Factory manager’s salary 2,000  Office salaries 1,600  Director’s remuneration 1,500  Telephone and postage 200  Printing and stationery 100  Legal charges 150  Advertisement 1.500  Salesmen’s salaries 2,500  Showroom rent 500  Sales 1,16,000  Classify the above expenses unde various heads of cost clearly showing  i) Prime Cost, ii) Factory Cost, iii) Cost of Production, iv) Total Cost. | CO3 | 20 |
| (OR) | | | | |
| 4. |  | “Costings are classified according to the nature of operations”- Set out the classifications with the brief description of the operation covered by each heading | CO4 | 20 |
| 5. |  | From the following data, Analyse:  i) Material Cost Variance ii) Material Price Variance iii) Material Usage Variance iv) Material yield variance  Standard quantity required 500 kgs.  Standard price @ Rs.10 per kg.  Actual quantity used 600 kgs.  The above quantity was bought at Rs. 5,400 | CO4 | 20 |
| (OR) | | | | |
| 6. |  | **“Standard costing is one of effective management tool to control cost”-Elucidate with examples** | CO4 | 20 |
| 7. |  | Pepsi Company produces a single article. Following cost data is given about its product:‐  Selling price per unit       Rs.40  Marginal cost per unit       Rs.24  Fixed cost per annum       Rs. 16000  Calculate:  i) P/V ratio ii) break even sales iii) sales to earn a profit of Rs. 2,000 iv) Profit at sales of Rs. 60,000 v) New break even sales, if price is reduced by 10%. | CO3 | 20 |
| (OR) | | | | |
| 8. | a. | Quick standard Ltd produced two products A and B. Comment on the relative profitability of these products considering output as the key factor   |  |  |  | | --- | --- | --- | | **Particulars** | **Production cost per unit** | | |  | **Product A (Rs.)** | **Product B (Rs.)** | | Materials | 200 | 150 | | Wages | 100 | 200 | | Fixed Overheads | 350 | 100 | | Variable Overheads | 150 | 200 | | Profit | 200 | 350 | | Total | 1000 | 1000 | | Output per unit | 200 units | 100 units | | CO3 | 10 |
|  | b. | A manufacturer produces 1500 units of products annually. The marginal cost of each product is Rs. 960 and the product is sold for Rs. 1200. Fixed cost incurred by the company is Rs. 48, 000 annually.  Would the company be the break ‐ even in terms of output and in terms of sales value?. What would be its margin of safety? | CO4 | 10 |
| 9. | | **Compulsory:** |  |  |
|  | | Assess the closing balances of cash from the months of July to December by applying a Cash Budget technique from the data given below  i)   |  |  |  | | --- | --- | --- | | Month | Sales (Rs) | Raw,Materials (Rs) | | May | 75000 | 37500 | | June | 75000 | 37500 | | July | 150000 | 52500 | | August | 225000 | 367500 | | September | 300000 | 127500 | | October | 150000 | 97500 | | November | 150000 | 67500 | | December | 137500 | 100000 |   ii) Collection estimates:  Within the month of sale: 5%  During the month following the sale: 80%  During the second month following the sale: 15%   1. Payment for raw materials is made in the next month. 2. Salary Rs. 11,250, Lease payment Rs. 3750, Misc. Exp. Rs. 1150, are paid each month 3. Monthly Depreciation Rs. 15,000 4. Income tax Rs. 26,250 each in September and December. 5. Payment for research in October Rs.75,000 6. Opening Balance on 1st July Rs.55,000. | CO3 | 20 |