* A C - 2 8 0 6 *

AC-2806

Third Year B. Com. (Sem. VI) (Hons) Examination

April/May - 2015

Management Accoutning : Paper - VIII

Time : Hours] [Total Marks : **50**

Instructions :

(1)

નીચે દર્શાવેલ ☛ નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fillup strictly the details of ☛ signs on your answer book.

Name of the Examination :
☛ **THIRD YEAR B. COM. (SEM. VI) (HONS)**

Name of the Subject :
☛ **MANAGEMENT ACCOUTNING : PAPER - VIII**

☛ Subject Code No. : **2 8 0 6** ☛ Section No. (1, 2,.....) : **Nil**

Seat No. :

Student's Signature

(2) Show all necessary working.
(3) All questions are compulsory.

1 (a) Explain Standard Cost. 2

(b) The net profit, after providing for income tax Rs. 6,60,000 of Vishal Ltd. for the year ending 31st March, 2015 amounts to Rs.8,00,000. The figure of the profit has been arrived at after taking into account the following items: 4

(1) Depreciation provided on:

	Rs.	Rs.
Plant machinery	60,000	
Furniture	30,000	
Motor vans	40,000	1,30,000

(2) Preliminary exp. written off 6,000
(3) Bad-debts 2,000
(4) Loss on sale of furniture 3,000
(5) Discount allowed to customers 38,000
(6) Discount on issue of debenture 8,000
(7) Profit on sale of plant 10,000
(8) Discount, received from trade creditors 28,000

Calculate funds from Operation.

(c) From the following information, prepare a production Budget of Rajkumar Ltd. for the year that ended on 31st March 2015:- 4

Products	Sales.(units)	Estimated Stock on 1^{st} April (units)	Estimated Stock on 31^{st} March (units)
X	60,000	10,000	20,000
Y	80,000	20,000	10,000
Z	50,000	15,000	5,000

2 (a) A company incurs the following expenses to produce 1,000 units of article:- 8

	Rs.
Direct Materials	30,000
Direct Labour	15,000
Power [20% fixed]	10,000
Repairs and Maintenance [15% fixed]	8,000
Depreciation [40% Variable]	6,000
Administrative expenses [100% fixed]	12,000

Prepare a flexible Budget showing the individual expenses of production level at 1,500 units and 2,000units.

(b) From the following, you are required to calculate the Net Cash flow from the operating Activities. 5

Particulars	31st March 2014 Rs.	31st March 2015 Rs.
Balance of Profit and loss A/c	60,000	65,000
Debtors	87,000	40,000
Bill receivable	62,000	1,03,000
General Reserve	2,02,000	2,37,000
Dividend Equalization Fund	78,000	1,00,000
Salary Outstanding	30,000	12,000
Wages prepaid	5,000	7,000
Goodwill	80,000	70,000

3 (a) The standard material input required for 1,000 kgs. of a finished product are given below:- **9**

Material	Quntity kg.	St.rate per kg. Rs.
P	450	20
Q	400	40
R	250	60
	1,100	
Standard loss	100	
Standard output	1,000	

Actual production in a period was 20,000 kg. of finished product for which the actual quantities of material used and prices paid there of were as under:

Material	Quantities(kg.)	Purchase price per(kg.)Rs.
P	10,000	19
Q	8,500	42
R	4,500	65

Calculate

(1) Material cost Variance

(2) Material Price Variance

(3) Material Usage Variance

(4) Material Mix Variance

(5) Material Yield Variance.

(b) What is performance budgeting? What steps are required to be taken for preparing performance budgets? 4

4 Write short notes : (All) 14

(1) Difference between cash flow statement and fund flow statement.

(2) Budgets and Budgetary control.

(3) Zero based budgeting and its advantages.