



DE-5503

**M. B. A. (FT) (Sem. I) (CBCS) &
M. B. A. (E) (Sem. I) (CBS) (New Course ATKT)
Examination
March / April - 2016
CP - 102 : Managerial Accounting**

Time : 3 Hours]

[Total Marks : 70/100

Instructions :

(1)

नीचे दशांशवैध निशानीवाणी विगतो उत्तरवही पर अवश्य लपवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input text"="" type="text" value="M. B. A. (FT) (SEM. I) (CBCS) & M. B. A. (E) (SEM. I) (CBS)</td><td><input type="/>	
Name of the Subject :	<input type="text"/>
<input text"="" type="text" value="CP - 102 : MANAGERIAL ACCOUNTING</td><td><input type="/>	
Subject Code No. : <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="3"/>	<input type="text"/>
Section No. (1, 2,.....): <input type="text" value="Nil"/>	<input type="text"/>
	Student's Signature

- (2) Question No. 1 and Question No. 2 are compulsory.
(3) Attempt any four questions from question no. 3, 4, 5, 6 and 7.

1 Trial balance of Skystar Ltd. as on 31st March 2015 20/25
is as under :

<i>Particulars</i>	<i>Debit (Rs.)</i>	<i>Credit (Rs.)</i>
Purchase and Sales	4,60,000	9,00,000
Debtors and Creditors	3,08,000	60,000
Bills Receivables	22,000	-
Land and Building	3,00,000	-
Equity share capital (equity share of Rs. 10 each)	-	6,00,000
Plant and Machinery	3,00,000	-
Investment in Equity Shares of D Company Ltd. of Rs. 10 each)	32,000	-

General Reserve	-	2,40,000
Bank Loan (secured)	-	24,000
Profit and Loss Appropriation Account (1.4.2014)	-	16,000
Fixed Deposits	-	20,000
Opening stock	1,40,000	-
Investment in Government Loan	1,00,000	-
12% Debenture	-	2,50,000
Income tax paid in advance	44,000	-
Provident Fund Investment	80,000	-
Staff Provident Fund	-	80,000
Interest on debentures	20,000	-
Discount on debentures	16,000	-
Wages	1,00,000	-
Interest and Dividend	-	10,000
Telephone Deposit	12,000	-
Administrative expenses	1,40,000	-
Directors fees	16,000	-
Interest and Dividend	24,000	-
Stores and Spareparts	16,000	-
Selling expenses	20,000	-
Cash and Bank	50,000	-
	22,00,000	22,00,000

Taking into consideration the following adjustments prepare company final accounts :

- (1) Authorized capital of the company is 80,000 equity shares of Rs. 10 each
- (2) Stock on 31st March, 2015 was valued at Rs. 3,50,000, its market value was Rs. 3,70,000.

- (3) Debtors of Rs. 8,000 are considered doubtful and to be written off. Provide 4% bad debt reserve on debtors.
- (4) Provide depreciation on Land and Building @ 5% p.a. and on Plant and Machinery @ 10% p.a.
- (5) 1/8th of the debenture discount is to be written off.
- (6) Dividend proposed by director is 15% after setting aside Rs. 20,000 to General Reserve.

2 From the following Balance Sheet of B Co. Ltd. prepare 10/15 fund flow statement :

<i>Liabilities</i>	<i>31.3.14 Rs.</i>	<i>31.3.15 Rs.</i>	<i>Assets</i>	<i>31.3.14 Rs.</i>	<i>31.3.15 Rs.</i>
Share Capital	7,00,000	8,70,000	Land	80,000	80,000
Reserves	2,60,000	3,54,000	Building	4,00,000	3,20,000
Depreciation			Plant and		
Fund	1,00,000	56,000	Machinery	3,00,000	3,40,000
Debentures	4,40,000	4,40,000	Patents	20,000	18,000
Creditors	6,00,000	6,40,000	Stock	3,00,000	3,44,000
			Debtors	2,00,000	3,70,000
			Bank B/s.	8,00,000	8,88,000
	21,00,000	23,60,000		21,00,000	23,60,000

Adjustments :

- (1) Net profit amounted to Rs. 2,04,000
- (2) Rs. 16,000 was debited for depreciation to Profit and Loss Account
- (3) Building of the book value of Rs. 80,000 on which accumulated depreciation was 60,000 was sold for Rs. 28,000
- (4) During the year dividend of Rs. 40,000 was paid
- (5) Equity shares were issued to public at par.

You are required to prepare :

- (a) A statement of changes in working capital
- (b) A statement of sources and application of funds.

- 3 The following is the trading and profit and loss account 10/15 for the year 2014-15 and other details. You are required to prepare cost sheet showing the price at which the coolers should be marketed in order to earn a profit of 10% on selling price :

Trading and Profit and Loss Account

<i>Particulars</i>	<i>Amount</i>	<i>Particulars</i>	<i>Amount</i>
To Cost of Materials	80,000	By Sales	4,00,000
To Direct Wages	1,20,000		
To Other manufacturing cost	50,000		
To Gross Profit	1,50,000		
	4,00,000		4,00,000
To Office Salaries	60,000	By Gross Profit	1,50,000
To Rent and Insurance	10,000		
To Selling Expenses	30,000		
To General Expenses	20,000		
To Net Profit	30,000		
	1,50,000		1,50,000

For the year ending 2015-16 it is estimated that :

- (1) Output and sales will be 1200 coolers
- (2) Price of material will rise by 20%
- (3) Wages will increase by 5%
- (4) Manufacturing cost will rise in proportion to the prime cost.
- (5) Selling expense per unit will remain unaffected.
- (6) Other expenses will remain constant.

Prepare cost sheet for the year 2014-15 and estimated cost sheet for 2015-16.

- 4 (a) (i) From the following data of Jay Co. Ltd. find out opening stock, closing stock and creditors. 6/10

Sales Rs. 5,00,000

Gross Profit Ratio 35%

Stock Turnover Ratio 2.5 times

Working days 350 days

Creditors Ratio 140 days

Opening stock is more by Rs. 6,000 than the closing stock.

(ii) Current ratio 2,8 : 1

Liquidity ratio 1.5 : 1

Working capital Rs. 1,62,000

There is no bank overdraft in current liabilities.

Find out current assets, current liabilities and Liquid Assets.

(iii) Explain the utility of ratio analysis.

- (b) The data of Ekta Limited are as under : 4/5

Selling price per unit Rs. 20

Variable cost per unit Rs. 10

Total Fixed Cost Rs. 40,000

Sales Rs. 1,00,000

Calculate from the above information :

- (1) Break Even Point (in rupees)
- (2) Profit Volume Ratio
- (3) Margin of Safety when sales is Rs. 1,20,000
- (4) Profit when total sales is Rs. 1,50,000
- (5) Sales if a profit target of Rs. 50,000 has been fixed

- 5 (a) At a capacity level of 2500 units for article P, the cost per unit is Rs. 7.50. The details are given under : 6/10

Particulars	Rs.	
Material Cost	70,000	100% varying
Labour Cost	30,000	100% varying
Power	4,000	80% varying
Repairs	6,000	75% varying
Stores	2,000	100% varying
Inspection	1,200	20% varying
Depreciation	20,000	100 % fixed
Administration Overhead	10,800	20% varying
Selling Overhead	6,000	50% varying
	1,50,000	

Prepare flexible budget showing cost per unit of the product showing production levels of 2000 units and 3000 units.

- (b) Rani and Co. manufacture automobile accessories and parts. The following are the total processing costs for each unit : 4/5

<i>Particulars</i>	<i>Rs.</i>
Direct materials cost	5,000
Direct labour cost	8,000
Variable factory overhead	6,000
Fixed Cost	50,000

The same units are available in the local market. The purchase price of the component is Rs. 22,000. The fixed overhead would continue to be incurred even when the component is bought from outside, although there would be reduction to the extent of Rs. 2,000 per unit.

Should the part be made or bought, considering that the present capacity when released would remain idle ?

- 6 (a) What is absorption costing ? Give the difference between Absorption costing and marginal costing. **10/15**
- (b) "Responsibility Accounting is one of the techniques for management accounting which is used for marginal control." Discuss.
- 7 Write short notes on : (any two) **10/15**
- (1) Current Cost Accounting Method of Inflation accounting
 - (2) Diminishing balance method of depreciation
 - (3) Importance of Performance Budgeting
 - (4) Human Resource Accounting.
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