



BA-2008000206030001

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

April - 2022

Management Accounting - VIII

Time : 2 Hours]

[Total Marks : 50

Instructions :

(1)

नीचे दशावेक निशानीवाणी विगतो उतरवडी पर अवश्य लपवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
Third Year B. Com. (Honours) (Sem. VI)	<input type="text"/>
Name of the Subject :	<input type="text"/>
Management Accounting - VIII	<input type="text"/>
Subject Code No. :	<input type="text"/>
2 0 0 8 0 0 0 2 0 6 0 3 0 0 0 1	<input type="text"/>
Section No. (1, 2,.....) : NIL	<input type="text"/>
	Student's Signature

- (2) All questions are compulsory.
- (3) Figures to the right indicate full marks allotted to that question.
- (4) Working should form part of answer.

- 1 (a) What is Standard Costing ? 2
- (b) Net Profit for the year 2021..... Rs. 23,500 3
Prepaid Expenses 1-1-2021..... Rs. 2,000
Outstanding (Accured) Income 1-1-2021.... Rs. 1,000
Prepaid Expenses 31-12-2021..... Rs. 3,000
Outstanding Income 31-12-2021 Rs. 2,000
Find out cash flow from operation.
- (c) What is Control Ratio? 2
- (d) From the following information, compute overall 3
overhead variance :
Normal capacity: 12,000 hours
Fixed expenses Rs. 10,000
Variable Expenses (at normal capacity) Rs. 14,000
The plant worked for 11,280 actual hours, doing
work for which 11,400 hours were allowed. Actual
factory overhead expenses amounted to Rs. 23,175.

- 2 Prepare a Schedule of Changes in Working Capital and Fund Flow Statement with the help of given Balance Sheets of Shraddha & Saburi Ltd. : 14

<i>Particulars</i>	<i>Note</i>	<i>31-3-20</i> <i>(Rs.)</i>	<i>31-3-21</i> <i>(Rs.)</i>
1. Equity and Liabilities :			
(1) Shareholders' Fund :			
(a) Share Capital :			
Equity Share			
Capital (Rs. 100)		1,50,000	2,50,000
10% Redeemable Pref.			
Share of Rs. 100 each,			
fully called up : 2,50,000			
– calls in arrears			
Rs. 20 per share <u>10,000</u>		2,40,000	-
Pref. Share Redemption			
Suspense A/c 35,000			
– calls in arrears			
Rs. 20 per share <u>6,000</u>			28,500
(b) Reserves and Surplus :			
General Reserves		2,00,000	-
Profit and Loss A/c		1,20,000	2,00,000
Capital Reserve		-	60,000
Capital Redemption Reserve		-	1,50,000
Securities Premium		7,500	-
(2) Non-Current Liabilities :			
(a) Long Term Provisions :			
15% Debentures		2,00,000	2,00,000
Bank Loan		-	1,00,000
(3) Current Liabilities:			
(a) Trade Payables: Creditors		40,000	30,000
Bills Payable		60,000	1,30,000
(b) Short Term Provisions:			
Provisions of Taxation		40,000	60,000
Total		10,57,500	12,08,500

2.	ASSETS :		
(1)	Non-Current Assets :		
(a)	Fixed Assets :		
(1)	Tangible Assets :		
	Land & Building	3,00,000	2,50,000
	Machinery	2,20,000	2,50,000
	Furniture	40,000	60,000
(2)	Intangible Assets :		
	Goodwill	20,000	10,000
(b)	Non-Current Assets :		
	Investments	40,000	60,000
(c)	Other Non-Current Assets :		
	Preliminary Expenses	20,000	10,000
	Discount on Debentures	5,000	12,000
	Advertisement Campaign Expenses	-	40,000
(2)	Current Assets :		
	Debtors	2,12,500	2,00,000
	Bills Receivable	1,00,000	1,54,000
	Cash and Bank	1,00,000	1,62,500
	Total	10,57,500	12,08,500

Additional Information :

1. It was determined to redeem the pref. shares at 15% premium, calls in arrears on this share were called up for this purpose. But the money received expect on 300 shares. After utilising General Reserve, equity shares for necessary amount were issued at 15% premium, which were fully paid up. $\frac{1}{4}$ of the reserves, so created while redeeming the pref. shares was utilised in giving bonus shares.
2. A part of the land was sold, the profit of which was credited of Capital Reserve.
3. Machinery costing Rs. 70,000 on which Rs. 20,000 depreciations were written off was sold for Rs. 60,000.
4. Investments costing Rs. 20,000 were sold at 50% profit, the profit of which was also credited to capital reserve.
5. During the year some debentures were redeemed at 15% premium and some debentures were issued at 10% discount. During the year a discount of Rs. 3,000 was written off to Profit and Loss A/c.
6. During the year, advertisement campaign expenses were incurred and have been written off in three equal instalments from the current year.
7. Tax of Rs. 35,000 of previous year was paid.

- 3 (a) From the following particulars, find the (i) Material cost variance, (ii) Material usage variance, and (iii) Material price variance : 6

Quantity of Materials Purchased 3,000 units
 Value of Material Purchased Rs. 9,000
 Standard quantity of material required
 per tonne of finished product 25 units
 Standard rate of material Rs. 2 per unit
 Opening Stock of Material Nil
 Closing Stock of Material 500 units
 Finished production during the period 80 tonnes

- (b) Following are the budgeted estimates of a repairs and maintenance department which are to be used to construct a flexible budget for the ensuing year : 8

<i>Details of cost</i>	<i>Planned at 6,000 Direct Repair hours Rs.</i>	<i>Planned at 9,000 Direct Repair Hours Rs.</i>
Employee's salaries	28,000	28,000
Indirect repair materials	42,000	63,000
Miscellaneous costs	16,000	20,500

- (i) Prepare a flexible budget for the department up to activity level of 10,000 direct repair hours using increments of 1,000 hours.
 (ii) What would be the budget allowance for 9,500 direct repair hours?

- 4 Write short notes : (any two) 12

- (1) State difference between Cash Flow Statement and Fund Flow Statement
 (2) Explain difference between Fixed Budget and Flexible Budget
 (3) Explain how Variance Analysis is useful to management.