



Name : .....  
Roll No. : .....  
Invigilator's Signature : .....

**CS/MCA/SEM-3/MBA-302/2012-13**

**2012**

**MANAGEMENT ACCOUNTING**

*Time Allotted : 3 Hours*

*Full Marks : 70*

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**GROUP – A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives for any *ten* for the following :

10 × 1 = 10

- i) Which of the following is not a Debt Capital
  - a) Debenture
  - b) Loan from Financial Institution
  - c) Preference Share Capital
  - d) Long Term Loan.
  
- ii) When a machinery is sold on credit the entry should be pass through
  - a) Sales Day Book                      b) Journal Proper
  - c) Cash Book                              d) None of these.



- iii) According to the Modern Rules of accounting, the accounting heads are classified as
- a) Personal Accounts, Real Accounts & Nominal Accounts.
  - b) Current Accounts & Non Current Account
  - c) Assets, Liabilities, Incomes & Expenses
  - d) None of these.
- iv) Current ratio measures
- a) The solvency of the business
  - b) The liquidity of the business
  - c) The profitability of the business
  - d) The efficiency of the business.
- v) When turnover increases the Fixed cost per unit will :
- a) Increase
  - b) Decrease
  - c) Remain constant
  - d) None of these.
- vi) Sales Rs. 1,80,000/-, Profit Rs. 20,000/- variable cost 60%, P/V. Ratio will be
- a) 20%
  - b) 40%
  - c) 60%
  - d) 80%.
- vii) The term inventory is a wide term and generally includes :
- a) Stock of Raw materials
  - b) Work in Progress
  - c) Finished Goods
  - d) All of these.
- viii) The standard current ratio in a manufacturing concern is :
- a) 2 : 1
  - b) 1 : 1
  - c) 2 : 3
  - d) 1 : 2.



- ix) Rs. 5,000/- received from Mr. X wrongly credited to Mr. Y account is a :
- a) Error of Omission      b) Error of commission  
c) Error of Principle      d) Error of Misposting.
- x) At Break Even Point :
- a) Total Sales = Variable Cost  
b) Total Sales = Fixed Cost  
c) Total Sales = Total Cost  
d) None of these.
- xi) Bin Card is maintained by :
- a) Store Department  
b) Accounts Department  
c) Cost Accounts Department  
d) Purchase Department.
- xii) Re-order level is calculated as
- a) Minimum consumption X Minimum Re-order Period  
b) Maximum consumption X maximum Re-order Period  
c) Minimum consumption X Minimum Re-order period  
d) Normal usage X Normal Delivery Period

**GROUP - B**

**( Short Answer Type Questions )**

Answer any *three* of the following.       $3 \times 5 = 15$

2. What is transaction ? Does transaction and even denote some thing ? Explain with examples.



3. You are given the following information :  
Working capital Rs. 4,00,000, Current Ratio 5 : 1,  
Quick Ratio 1 : 1.  
Find and (i) current Assets (ii) current Liabilities and  
(iii) Closing stock
4. The following data relating to a manufacture of a standard product during the F.Y. 2011 – 12. Prepare cost sheet showing cost per unit
- |                         |   |  |
|-------------------------|---|--|
| Raw material Consumed   | = | Rs. 40,000/-                               |
| Wages                   | = | Rs. 60,000/-                               |
| Machine hours worked    | = | 3000 hours                                 |
| Machine hour rate       | = | Rs. 1/- per hour                           |
| Selling Overhead        | = | 10 paise Per Unit                          |
| Unit Produced           | = | 40,000                                     |
| Unit Sold               | = | 30,000 at the rate of<br>Rs. 10/- per unit |
| Administrative overhead | = | 10% of winks cost.                         |
5. XYZ Ltd. a manufacturing company, furnished the following information for the month of Mar' 2012.
- |            |  |
|------------|--|
| 01/03/2012 | Purchase 1,000 units Rs. 10/- per unit |
| 04/03/2012 | Purchase 500 units Rs. 15/- per unit   |
| 06/03/2012 | Issue 600 units.                       |
| 10/03/2012 | Purchase 700 units Rs. 16/- per unit   |
| 15/03/2012 | Issue 1000 units.                      |
| 20/03/2012 | Purchase 100 units Rs. 18/- per unit   |
| 23/03/2012 | Issue 200 uints.                       |
- Prepare store ledger under weighted average method.
6. Discuss the factors which influence the working capital of a business unit.

**GROUP - C****( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

7. a) Distinguish between Fund flow Statement and Cash Flow Statement. 5
- b) From the Balance Sheet and additional information, you are required to prepare Fund Flow Statement for the period ending on 31.3.2012.

**BALANCE SHEET**

<b>Liabilities</b>	<b>2010-11</b>	<b>2011-12</b>	<b>Assets</b>	<b>2010-11</b>	<b>2011-12</b>
Equity Share Capital	2,40,000	3,00,000	Land and Building	2,40,000	2,28,000
General Reserve	40,000	60,000	Plant & Machinery	1,60,000	1,80,000
Profit/Loss Account	30,000	50,000	Stock	80,000	80,000
10% Debenture	2,00,000	1,60,000	Debtors	70,000	1,40,000
Creditors	30,000	60,000	Bank	10,000	12,000
Proposed dividend	20,000	10,000			
	<b>5,60,000</b>	<b>6,40,000</b>		<b>5,60,000</b>	<b>6,40,000</b>

**ADDITIONAL INFORMATION**

- 1) During 2011-12, dividend Rs. 20,000/- were paid.
- 2) Depreciation on land & Building and on Plant and Machinery was Rs. 12,000 and Rs. 16,000 respectively.

10



8. a) State the limitation of Ratio analysis. 5
- b) From the Balance Sheet of Levcon Instruments Pvt. Ltd., as on 31/03/2012, you are to calculate : 10
- i) Current Ratio
  - ii) Liquid Ratio
  - iii) Proprietary Ratio
  - iv) Debt Equity Ratio
  - v) Gearing Ratio.

<b>LIABILITIES</b>	<b>RS.</b>	<b>ASSETS</b>	<b>RS.</b>
Equity Share Capital	1,00,000	Land and Building	1,80,000
Pref. Share Capital	1,40,000	Plant & Machinery	3,10,000
Reserve & Surplus	50,000	Stock	2,00,000
6% Debenture	2,00,000	Sundry Debtor	1,20,000
Bank over Draft	1,60,000	Bills Receivable	20,000
Sundry Creditors	1,40,000	Cash in Hand	10,000
Bills Payable	50,000		
	<b>8,40,000</b>		<b>8,40,000</b>

9. a) What are the Functions of Management Accounting ? 5
- b) Distinguish between Financial Accounting & Management Accounting. 10
10. Writes notes on (Any Three) 3 × 5
- a) Utility of accounting computer package
  - b) Assumption of Break Even Chart
  - c) Advantages and disadvantages of Budgetary Controls.
  - d) Flexible Budget
  - e) Economic Order Quantity.



11. From the following information, calculate

- i) Profit – volume Ratio, (ii) Sales at Break-even point (iii) Sales to earn profit of Rs. 2,00,000 (iv) Profit when sales is Rs. 15,00,000.

Production = 12,000 units

variable cost per unit Rs. 40

Sales per unit Rs. 60

Fixed cost Rs. 150,000

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