

<b>Seat No.</b>	
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**M.B.A.-I (Semester-I)(Regular) Examination, 2013****MANAGEMENT ACCOUNTING (Paper-II)****Sub. Code : 48321****Day and Date : Thursday 30 - 05 - 2013****Total Marks : 70****Time : 10.00 a.m. to 1.00 p.m.**

- Instructions :**
- 1) **Q1 and Q5 are compulsory.**
  - 2) **Solve any Two questions from Q2, Q3 & Q4.**

**Q1) Caselet:****[20]**

On June 30, 2010, a flash flood damaged the warehouse and factory of ABC corporation completely destroying the W/P inventory. There was no damage to either the raw materials or finished goods inventories. A physical verification taken after the flood revealed the following valuations -

	Rs.
Raw materials	62,000
Work in progress	?
Finished goods	1,19,000

The inventory on Jan 1, 2010 consisted of the following -

Raw materials	30,000
Work in progress	1,00,000
Finished goods	1,40,000
	<u>2,70,000</u>

A review of the books and records disclosed that gross profit margin historically approximated 25% on sales. The sales for the first six months of 2010 were Rs. 3,40,000. Raw materials purchase were Rs. 1,15,000. Direct labour cost for the period were Rs. 80,000 and manufacturing overhead has historically been 50% of direct labour. Compute the cost of W/P inventory lost at 30<sup>th</sup> June, 2010 by preparing a statement of cost & profit.

OR

- a) You have to prepare correct Trading & Profit & Loss A/c for the year ended 31<sup>st</sup> March, 2012 and [10]
- b) Also corrected Balance-sheet as on that date. [10]

The following Trading & Profit & Loss accounts prepared by a Junior Accountant have to be redrafted correctly into final accounts after taking into account the items given at the end.

## Trading A/c

Particulars	Rs.	Particulars	Rs.
To Opening stock	7,352	By Closing stock	9,368
To Purchases	63,681	By Sales	1,70,852
To Sundry creditors	25,375	By Sundry debtors	40,659
To Carriage inwards	2,654	By Gross Loss c/d	8,182
To Carriage outwards	394		
To Salaries	24,370		
To Wages	51,963		
To Rent, rates & taxes	3,981		
To Insurance	13,923		
	2,29,061		2,29,061

## Profit &amp; Loss A/c

Particulars	Rs.	Particulars	Rs.
To Gross Loss b/d	8,182	By Bank Overdraft	17,681
To Int. on Loan	6,180	By Interest on Bank	
		Overdraft	123
To Dividend from		By Net Loss	39,914
Investment	9,375		
To Furniture purchased	17,681		

To Telephone charges	985		
To Electric charges	2,756		
To <u>Depreciation</u> -			
Plant & Machinery	663		
Furniture	259		
To General charges	11,637		
	57,718		57,718

The items to be taken into account -

Capital -	Rs. 1,42,692	Plant -	Rs. 2009
Loan -	Rs. 20,000	Investment -	Rs. 1,00,000

**Q2) a)** From the following data, you are required to calculate- [8]

i) P/V Ratio    ii) Break Even Sales    iii) Sales required to earn a profit of Rs. 4,50,000.

Fixed Expenses    Rs. 90,000

Variable cost per unit:

Direct material-    Rs. 5-00    Selling price per unit    Rs. 12

Direct labour    Rs. 2-00

Direct expenses    Rs. 2-00

b) Define cost accounting. State the advantages of cost accounting. [7]

**Q3) a)** Prepare stores ledger account under 'Weighted Average Method' of pricing material issues receipts:

Oct. 2012 - Receipts -

3<sup>rd</sup>    Purchased - 500 units @ Rs. 4.00 per unit

4<sup>th</sup>    Purchased - 100 units @ Rs. 4.20 per unit

10<sup>th</sup>    Purchased - 50 units @ Rs. 4.25 per unit

13<sup>th</sup>    Purchased - 800 units @ Rs. 4.30 per unit

23<sup>rd</sup>    Purchased - 850 units @ Rs. 3.80 per unit

Issues

5 <sup>th</sup> Oct	Issued	400 units	
10 <sup>th</sup>	Issued	50 units	
15 <sup>th</sup>	Issued	900 units	
25 <sup>th</sup>	Issued	450 units	[8]

- b) Define Trial Balance. Explain the types of trial balance. [7]

- Q4) a)** Define financial accounting. Explain conventions of it. [8]

- b) Distinguish between management accounting & financial accounting. [7]

- Q5) Write short notes on (any 4)** [20]

- Accounting concepts.
- Types of subsidiary books.
- First in First out method.
- Straight Line Method.
- Bank Reconciliation Statement - Need.
- Elements of cost.

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