Total No. of Pages : 3

Seat No.	

B.B.A. (Part - II) (Semester - III) Examination, April - 2017
COST AND MANAGEMENT ACCOUNTING (Paper - I)
Sub. Code : 43937

Day and Date : Saturday, 29 - 04 - 2017 **Total Marks : 40**

Time : 03.00 p.m. to 05.00 p.m.

Instructions : 1) **All questions are compulsory.**

2) **Figures to the right indicate full marks.**

Q1) What is Management Accounting? Explain the functions of Management Accounting in detail. **[14]**

OR

Summarised below are the Income & Expenditure forecast for the month of March to August 2012.

Month	Credit sales Rs.	Credit purchases Rs.	Wages Rs.	Manufacturing expenses Rs.	Office expenses Rs.	Selling Expenses Rs.
March	60,000	36,000	9,000	4,000	2,000	4,000
April	62,000	38,000	8,000	3,000	1,500	5,000
May	64,000	33,000	10,000	4,500	2,500	4,500
June	58,000	35,000	8,500	3,500	2,000	3,500
July	56,000	39,000	9,500	4,000	1,000	4,500
August	60,000	34,000	8 000	3,000	1,500	4,500

You are given following further information:

a) Plant costing Rs. 16,000 is due for delivery in July Payable 10% on delivery & the balance after 3 months.

b) Advance tax of Rs. 8,000 is payable in March and June each.

c) Period of credit allowed by suppliers 2 month and to customers I month.

d) Lag in payment of manufacturing expenses 1/2 month.

e) Lag in payment of all other expenses is 1 month.

Prepare a cash budget for three months starting on 1st May, 2008 when there was a cash of Rs. 8,000.

P.T.O.

Q2) Write short answers (any two) **[16]**

a) Define Standard Costing. Explain the Advantages & Disadvantages of Standard Costing.

b) What is Budgetary Control.? Explain the steps in Budgetary Control.

c) The Sales & profit during two years are:

Year	Sales(Rs.)	Profit(Rs.)
2009	1,50,000	20,000
2010	1,70,000	25,000

You are required to calculate:

i) Breakeven point.

ii) P/V ratio.

iii) Sales required for earning profit of Rs. 40,000.

iv) The profit made when sales are Rs. 2,50,000.

v) Variable cost of the two periods.

vi) Margin of safety in 2010.

d) A company is considering an investment proposal to install new milling controls. The project will cost Rs. 50,000 & it has a life expectancy of 5 years with no scrape value. The company tax rate is 55%. The firm uses straight line method of depreciation. The estimated cash flow before tax from the proposed investment proposal is as under. Calculate the following

i) Payback period.

ii) Average rate of return.

Year	Cash flow before tax
1	10,000
2	11,000
3	14,000
4	15,000
5	25,000

Q3) Write short notes (any two) **[10]**

a) Master Budget.

b) Break Even Analysis.

c) Distinguish between Management Accounting & Financial Accounting.

d) Methods of Investment Decision.