

Seat No.	
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B.C.A. (Part - III) (Semester - V) Examination, April - 2018
MANAGEMENT ACCOUNTING
Sub. Code : 66415

Day and Date : Thursday, 26 - 04 - 2018

Total Marks : 80

Time : 11.00 a.m. to 02.00 p.m.

Instructions : 1) All questions carry equal marks.
 2) Attempt any five questions.

Q1) Explain the meaning of Management Accounting along with various tools and techniques. [16]

Q2) Following particulars are available for two companies Super star and Great Star: [16]

Particulars	Super star Ltd	Great star Ltd.
Sales (Rs 10 per unit)	3,00,000	3,00,000
P/v ratio	25%	20%
Fixed cost	Rs. 45,000	Rs. 40,000

Calculate :

- BEP in units and sales value of both the companies
- Sales required by both the companies to earn profit of Rs. 72,000
- Margin of Safety of both the companies

Q3) Dulux containers working at a normal capacity manufactures 4,00,000 tin containers per year. The cost of manufacturing per tin is as follows :

Material	Rs. 15 per unit
Direct wages	Rs. 10 per unit
Variable factory overheads	Rs. 5 per unit
Fixed overheads	Rs. 8,00,000 per annum
Selling price	Rs. 45 per unit

Due to adverse market conditions the company expects to sell only 30,000 containers in the next year. The management seeks your advice whether the company should shut down or continue its operations in the next year [16]

Q4) From the information given below, calculate the following ratios : [16]

- a) Quick Ratio
- b) Stock turnover ratio
- c) Return on investment and
- d) Debt Equity ratio

Information :

Current Assets:	Rs.5,00,000	
Opening Stock	Rs. 50,000	
Closing stock	Rs. 1,80,000	
Cost of goods sold	Rs. 10,00,000	
Gross Profit	Rs. 2,00,000	
Earnings before interest and tax (EBIT):	2,10,000	
Equity Share Capital	Rs. 7,00,000	
10% Preference Share capital:	Rs. 3,00,000	
12% Debentures:	Rs.4,00,000	
Current liabilities	Rs. 2,00,000	
General Reserve	Rs. 1,00,000	

Q5) Explain the meaning and nature of Management Accounting. Also state the role of management accountant. [16]

Q6) From the following information of Zatpat enterprises prepare Cash- Budget for three months ending 30 June 2016. [16]

Month	Sales	Material	Wages	Overheads
February	14,000	5,600	3,000	1,700
March	15,000	5,000	3,000	1,900
April	10,000	8,000	5,000	1,300
May	12,000	10,000	6,000	2,000
June	8,000	9,000	7,000	2,200

Additional Information :

- a) Sales: 10% of sales are on cash basis 80% are realized in the month after sales and the balance 10% in the following month.
- b) Time lag for payments are :
 - i) Material - 2 months
 - ii) Wages - half month
 - iii) Overheads - one month
- c) New plant will be installed in the month of February and first installment for the same will be paid in June Rs. 5,000.
- d) Dividend on shares will be received in the month of May Rs. 10,000
- e) Expected cash and bank balance on 1st April 2016 is Rs. 6,000

Q7) What do you mean by ratio analysis? Explain solvency ratio in detail. [16]

Q8) Short notes (Any four) [16]

- a) CVP analysis
- b) Liquidity ratio
- c) Profitability ratio
- d) Fixed cost and variable cost
- e) Difference between management and financial accounting
- f) Meaning and types of Budget

