Seat
No.

M.B.A. (Part - I) (Semester - I) (Regular) Examination, December - 2014
MANAGEMENT ACCOUNTING (Paper - II) (New)
Sub. Code : 48321

Day and Date :Saturday, 20- 12 - 2014   Total Marks : 70

Time : 10.00 a.m. to 1.00 p.m.

Instructions :   1)   Q. 1 and Q. 5 are Compulsory.

2)   Solve any two questions from Q.2, Q. 3 and Q. 4.

Q1) <u>Case let:</u>   **[20]**

Cadbury schweppes Ltd, a British chocolate and soft drink company, is planning to establish a subsidiary company in India to produce, schweppes mineral water.

Based on the estimated annual sales of 40,000 bottles of the mineral water, cost studies produced the following estimates for the Indian subsidiary.

	Total Annual costs ₹	%of total annualcost i.e. variable
Material	₹ 1,93,600	100%
Labour	90,000	70%
Overhead	80,000	64%
Administrative	30,000	30%

The Indian production will be sold by manufacturer's representatives who will receive a commission of 8% of the sales price. No portion of the British office expenses is to be allocated to the Indian subsidiary.

It is required to:-.

i) Compute the sales price per bottle to enable management to realise an estimated 30% profit on sales proceeds in India, and

ii) Calculate the break-even point in rupee sales for the Indian subsidiary on the assumption that the sales price is ₹ 11 per bottle.

OR

a) Prepare Trading & Profit and loss A/C for the y.e. 31st Mar. 2012. **[10]**

b) Prepare Balance-sheet as on 31st March, 2012. **[10]**

Particulars	Dr. (₹)	Particulars	cr.(₹)
Kale's Drawings	24,450	Kale's capital	3,30,000
Stock-(1.4.2011)	2,00,000	Sales	4,00,000
Bills Receivable	25,000	Bills Payable	60,000
Purchases	2,75,000	Return outward	4,500
Return inward	5,000	Sundry Creditors	1,40,000
Plant & machinery	1,00,000		
Loose tools	25,000		
Patents	25,000		
Sundry debtors	1,25,000		
Cash at Bank	77,550		
Wages	19,000		
Salaries	17,500		
Rates & Taxes	7,500		
Insurance	3,000		
Printing & Stationery	2,000		
Power and fuel	3,500		
	9,34,500		9,34,500

Adjustments:

i) Depreciate plant & machinery by 5% and patents by 15%

ii) Provide for bad & Doubtful Debts at 5% on Sundry creditors.

iii) Prepaid Insurance ₹ 750.

iv) Outstanding Expenses

a) Salaries ₹ 2,500 b) Wages ₹ 1,000 c) Printing and Stationery ₹ 500

v) Stock as at 31st March, 2012 ₹ 1,30,000.

vi) Drawings of kale of ₹ 5,000 for personal use. No entry has been passed in the books.

Q2) a) From the following receipts and issues of material during the month of January 2012 prepare store ledger account according to LIFO method. [8]

Jan. 2012

1. Received   500 units @ ₹ 10 per unit

5. Received   250 units @ ₹ 11 per unit

8. Issued   300 units

10. Received   400 units @ ₹ 12 per unit

13. Issued   250 units

20. Received   100 units @ ₹ 11 per unit

28. Issued   400 units

on 1st January 2012, stock on hand was 200 units valued at ₹ 9 per unit.

b) Distinguish between management accounting & cost accounting. [7]

Q3) a) From the following Information prepare cost sheet and find the amount of profit [8]

	₹
Raw material purchased	24,000
works overhead	20,000
Stock on 1st Jan. 2012	
Raw materials	4,000
Finished goods (800 Quintals)	2,200
Work in Progress	
1st January 2012	960
31st January 2012	3,200
Office & Administrative overheads	1,600
Sales (Finished goods)	60,000

Advertising, discount allowed and selling cost is ₹ 0.40 per Quintal. During the month 12,800 quintals of the commodity were produced.

b) Explain the concept of - [7]
   i) Cost center
   ii) Cost unit

Q4) a) What is Trial balance? Explain its types in detail. [8]

b) Define Journal. Explain the steps in Journalising. [7]

Q5) Write Short Notes: (Any four) [20]
   a) Functions of management accounting.
   b) Elements of cost
   c) Subsidiary books
   d) Depreciation
   e) Bank Reconciliation statement
   f) Weighted Average method.