



Seat No.	
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M.B.A. (Part – I) (Semester – I) (New Course) Examination, 2012
MANAGEMENT ACCOUNTING (Paper – II)
Sub. Code : 48321

Day and Date : Friday, 11-5-2012
Time : 10.00 a.m. to 1.00 p.m.

Total Marks : 70

- Instructions :** 1) *Que. No. 1 and 5 are compulsory.*
2) *Attempt any two questions from Que. No. 2 to 4.*
3) *Figures to the right indicate full marks.*

1. Two business Y Ltd. and Z Ltd. sell the same type of product in the same type of market.

The budgeted Profit and Loss A/c for the coming year are as follows :

	Y Ltd.		Z Ltd.	
	Rs.	Rs.	Rs.	Rs.
Sales		1,50,000		1,50,000
Less : Variable cost	1,20,000		1,00,000	
Fixed costs	15,000	1,35,000	35,000	1,35,000
Budgeted Net Profit		15,000		15,000

You are required to :

- Calculate the BEP of each business.
- Calculate the sales volume at which each business will earn Rs. 5,000 profit.
- State which business is likely to earn greater profit in conditions of
 - heavy demand for the product
 - low demand for the product and briefly give your reasons.

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OR



1. a) The following balances appear in the trial balance of Viraj and Co. relating to the accounts for the year ending March 31, 2007. 10

Wages a/c	Rs. 30,000
Salaries a/c	Rs. 40,000
Rent a/c	Rs. 5,000
Advertising a/c	Rs. 17,000

It is found that following adjustments have not been made in the books.

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| 1) Wages due but not paid | Rs. 3,000 |
| 2) Salaries paid in advance | Rs. 2,000 |
| 3) Unpaid rent | Rs. 1,000 |
| 4) Advertising expenses not recorded in the books | Rs. 2,000 |

You are required to show how these items would appear in Trading, Profit and Loss accounts and balance sheet. 10

- b) From the following information relating to the manufacture of a standard product. Prepare a statement showing

- a) Prime cost
- b) Works cost
- c) Cost of production
- d) Cost of sales
- e) Profit.

	Rs.
Opening stock of finished goods	19,500
Closing stock of finished goods	22,200
Raw materials purchased	70,500
Carriage on materials purchased	1,700
Direct wages	36,900
Factory expenses	5,500
Selling expenses	4,900
Office on cost	3,700
Sales	1,50,000
Sales of scrap	500



2. a) Explain the different accounting concepts. 8
b) Distinguish between Management Accounting and Cost Accounting. 7
3. a) Prepare a store ledger from the following transactions adopting the FIFO method of pricing out issues.
- 2007 March :**
- 1 Opening balance 200 units at Rs. 2 per unit
 - 2 Purchased 600 units at Rs. 3 per unit
 - 6 Issued to production 600 units
 - 12 Purchased 400 units at Rs. 3.40 per unit
 - 22 Issued 300 units
 - 26 Purchased 500 units at Rs. 3.50 per unit
 - 30 Issued 200 units. 7
- b) The ratio of variable costs to sales is given to be 60%. The break-even point occurs at 80% of sales. Find the capacity sales when the fixed costs are Rs. 2,00,000. Determine profit at 90% and 100% of sales. 8
4. a) Explain in brief the various types of costing. 7
b) Briefly describe the Straight Line Method (SLM) and Written Down Value (WDV) method of charging depreciation on fixed assets. 8
5. Write short notes (**any four**) : 20
- a) Bank Reconciliation Statement
 - b) Subsidiary books
 - c) Margin of safety
 - d) Depreciation policies
 - e) Need for accounting
 - f) Cost unit and cost centre.
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