

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com.(Hons) Winter 2018 – 19- Examination

Semester: 5

Subject Code: 16100301

Subject Name: Management Accounting

Date: 22/10/2018

Time: 10:30am to 01:00 pm

Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.**A) Multiple choice type questions. (Each of one mark) (06)****1. ABC stands for:**

- | | |
|-----------------------------|---------------------------|
| a) Activity Based Costing | b) Analysis based costing |
| c) Accounting based costing | d) All of the above |

2. Management accountancy is a structure for

- | | |
|---------------|--------------------|
| a) Costing | b) Decision making |
| c) Accounting | d) Management |

3. Management accounting deals with

- | | |
|-----------------------------|----------------------------|
| a) Quantitative information | b) Qualitative information |
| c) Both a and b | d) None of the above |

4. The following is (are) the indirect labour cost(s)

- | | |
|------------------------------|----------------------------|
| a) Wages paid to storekeeper | b) Salary of works manager |
| c) Wages paid to gatekeeper | d) All of the above |

5. Which of the following is an advantage of standard costing?

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|------------------------------|-----------------------------|
| a) Measuring efficiency | b) Facilitates cost control |
| c) Determination of variance | d) All of the above |

6. The assets of a business can be classified as

- | | |
|-----------------------------|------------------------|
| a) Only fixed assets | b) Only current assets |
| c) Fixed and current assets | d) None of the above |

B) Definitions / One-liners / Terms. (Each of one mark) (06)

1. Marginal Costing
2. ABC
3. Standard Costing
4. Cost Pools
5. Budget
6. Formula For Margin of Safety

Q.2 Numerical / Short Note Questions. (Each of 04 mark) (12)

From the following information's find out PV Ratio & Sales:

Fixed Cost = Rs.40,000

Profit = Rs. 20,000

B.E.P. = Rs. 80,000

Explain Fixed Budget & Flexible Budget in brief

Explain Limitation of Traditional based Costing in brief.

Q.3 Answer the following. (Any Three) (18)

1. Explain the following terms:
 - Material Mixture Variance
 - Material yield variance
 - Labor yield Variance
2. State the advantages & Limitation of standard costing in detail
3. Explain the Meaning & Objectives of Budgetary control in detail
4. Explain meaning of ABC analysis & also explain the steps in ABC analysis

Q.4 Answer the following. (Any two)

(18)

1. Prepare monthly cash budget with the help of following data:

- Information regarding sales

Fan	85000	May	80000
Feb	90000	Jun	60000
March	70000		
Aprl	75000		

- Cash sales 20% and remaining are credit sales
- Rent payable 5000 every month
- Opening balance 25000
- Sales collection 70% in next month & balance in second month.
- Purchases 80% of total sales which are collected 50% in next month & balance in second month
- Fees collected every alternate month of Rs 10000

2. Prepare activity based costing from the following information:

Salary	35000
Machine maintenance	10000
Purchase Labor	20000
Fringe benefits	25000
Purchase Supplies	15000
Depreciation	30000
Electricity	75000
Unemployment Insurance	50000
Labour Hours	1000
Machine hrs	5000
Purchase orders	500

Base	X	Y	Total
Direct Labor Hrs	400	600	1000
Machine Hrs	100	150	250
Purchase Order	60	40	100

3. You are given the following data:

- If margin of safety is 240000 (40% of sales) & PV ratio is 30% , calculate its breakeven sales & Amount of profit if sales is 900000
- If contribution is 200000 and net profit is 150000 of sales of 80000. Find its margin of safety