Total No. of Questions : 4]

SEAT No. :

P4392

[Total No. of Pages : 3

[5619]-1001
M.Com. (Part - I) (Semester - I)
MANAGEMENT ACCOUNTING
(2019 Pattern) (CBCS)

Time : 3 Hours] *[Max. Marks : 60*

Instructions to the candidates:

1) ***All questions are compulsory.***
2) ***Figures to the right indicate full marks.***
3) ***Use of calculator is allowed.***

Q1) What is Marginal Cost and Marginal Costing? State and Explain utility and limitations of Marginal Costing. **[15]**

OR

From the following information, prepare a Cash Budget of Saudagar Ltd., Pune for 3 Months ended on 30^{th} June, 2019 **[15]**

Months	Sales in Rs.	Purchases in Rs.	Wages in Rs.	Overheads in Rs.
January, 2019	10,00,000/-	6,00,000/-	1,20,000/-	2,00,000/-
February, 2019	12,00,000/-	8,00,000/-	1,40,000/-	2,20,000/-
March, 2019	18,00,000/-	8,00,000/-	1,40,000/-	2,20,000/-
April, 2019	10,00,000/-	8,00,000/-	1,50,000/-	2,00,000/-
May, 2019	11,00,000/-	6,00,000/-	1,50,000/-	2,40,000/-
June, 2019	14,00,000/-	9,00,000/-	1,80,000/-	2,00,000/-

Other Information -

i) 25% of the sales are on cash and balance on credit basis.

ii) 50% of the credit sales are collected in next month and the balance in the following month.

iii) All purchases are made on credit basis and paid after three months of purchases.

iv) Wages are paid on monthly basis and Overheads are paid in the same month.

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v) Advance payment of Tax in the month of June, 2019 Rs. 35,000/-

vi) Cash balance on 1st April, 2019 is Rs. 3,00,000/-.

vii) A new machine is ordered in the month of May, 2019 having cost of Rs. 30,00,000/- on following terms -

a) 20% of the cost of machine along with order.

b) Balance on 12 monthly installments of Rs.2,00,000/- along with interest @ 12% p.a.

Q2) Costing department of A Limited manufacturing special purpose component has supplied following information about its cost structure -

Direct Material Rs. 800/-, Direct Wages Rs 1,200/- and Variable overheads Rs. 400/- per unit. The Fixed Cost amounts to Rs. 18,00,000/- per annum. The Selling price of the component in local market is Rs. 3,000/- per unit.

You are required to find out - **[15]**

a) P/V Ratio.

b) Break even sales and Break Even Units.

c) How many units of component are required to be sold to make profit of Rs. 15,00,000/-

d) A Company has received export order to supply 2,000 Units at Rs. 2,750/- per unit. If company accepts this order variable cost will be increased by Rs. 50/- per unit without change in fixed cost. Advice the management whether the export order should be accepted or not.

OR

What do you mean by Working Capital? State and explain the factors to be taken into considerations while determining the amount of working capital needed by a medium scale production unit. **[15]**

Q3) What do you mean by Management Accounting? State and explain advantages and limitations of Management Accounting. **[15]**

OR

Following information is provided by Viraj Industries Limited to determine the quantum of Working Capital needed by the company for forthcoming financial year **[15]**

Estimated Annual Sales 52,000 units @ Rs.200/- per unit

The following percentages which various elements of cost bear to the selling price have been extracted from the Pro-forma Cost Sheet.

Material – 30%, Labour – 30%, Overheads – 20%

Following further particulars are available -

i) Raw Materials are expected to remain in stock for an average period of six weeks before issued to production.

ii) Finished Goods are to stay in the warehouse for one and half months on the average before being sold & sent to customers.

iii) Each unit of production will be in process on an average for two weeks (Stage of completion in respect of Labour 75% and Overheads 60%).

iv) Credit allowed by suppliers of materials is two month.

v) Debtors are allowed eight weekscredit.

vi) Lag in payment of wages is of one months & that of for overheads is six weeks.

vii) Add 20% for contingencies.

viii) Sales and Productions follow a consistent pattern and a year consists of 52 weeks.

Q4) Write Short Notes On (Any Three) **[15]**

i) Limitations of Budgetary Control.

ii) Components of Working Capital.

iii) Tools and Techniques of Management Accounting.

iv) Flexible Budget.

v) Make or Buy Decision.

vi) Limitations of Financial Accounting.

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