LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – **CORPORATE SECRETARYSHIP**

FIFTH SEMESTER – **NOVEMBER 2016**

BC 5506/BC 6600 – MANAGEMENT ACCOUNTING

Date: 03-11-2016 Dept. No. Max. : 100 Marks
Time: 09:00-12:00

PART – A

Answer **ALL** questions (10x2=20 marks)

1. What is management accounting?
2. What is a "ratio"?
3. What is absorption costing?
4. What is "standard cost"?
5. From the following details compute the material consumption during November 2007:

Estimated sales	5,000 units
Expected closing stock	2,000 units
Opening stock	1,000 units

Material requirement is 60 kgs. for an output of 100 units of Finished product.

6. Find out the semivariable cost for 40,000 units:
Semivariable cost for 30,000 units: Rs.15,000 which is 40% fixed and 60% variable.

7. Sakthi Ltd. submit the following data regarding sales and cost:

Particulars	2007 (Rs.)
Sales	1,00,000
Sales returns	20,000
Cost of sales	50,000

Find out the gross profit ratio.

8.

Sales	Rs.10,00,000
Variable cost	Rs.7,00,000
Loss	Rs.1,00,000

Find out Fixed cost.

9. Data relating to a Job are as under:
Standard rate of wages per hour: Rs.10
Standard hours - 300
Actual rate of wages per hour: Rs.12
Actual hours- Rs.200
You are required to calculate Labour cost variance.
10. How many units should be sold to Break even if fixed cost is Rs. 10,00,000 , selling price per unit is Rs.50 and variable cost is Rs.30.

PART - B

ANSWER ANY **FOUR** QUESTIONS (4x10=40 marks)

11. Distinguish between standard costing and budgetary control.
12. Explain the objectives and functions of management accounting.
13. Explain the Techniques of Marginal costing and its application.
14. A company which supplies its output on contract basis as component to an assembling firm has a contract to supply 10,000 units of its only product during 1999. The following were the budgeted expenses and revenue.

Material	Rs. 15 per unit
Wages	Rs. 10 per unit
Works expenses – (Fixed)	Rs. 40,000
Works expenses – (Variable)	Rs. 4 per unit
General expenses (all fixed)	Rs. 60,000

Profit is 20% on sale price.

Prepare the budget for 1999 showing the costs and profit.

15. Given:

Current ratio	2.8
Acid-test ratio	1.5
Working capital	Rs, 1,62,000

Calculate:

(i) Current assets
(ii) Current liabilities
(iii) Liquid assets
(iv) Stock

16. From the following details, ascertain "Funds From Operations".

Particulars	1998 (Rs.)	1999(Rs.)
P&L A/c Balance at the end	50,000	60,000
General reserve	30,000	40,000
Goodwill	20,000	12,000
Preliminary expenses	6,000	4,000
Depreciation provision (accumulated)	25,000	40,000
Income from non trading investments	----	20,000

Preference shares of the face value of Rs.1,00,000 were redeemed during the year at premium of 10%. The premium on redemption was charged to the Profit and Loss A/c.

17. A.G Ltd. furnished you the following related to the year 1996.

	First half of the year (Rs.)	Second half of the year (Rs.)
Sales	45,000	50,000
Total cost	40,000	43,000

Assuming that there is no charge in prices and variable cost and that the fixed expenses are incurred equally in the 2 half year periods, calculate for the year 1996:

(a) The profit volume ratio
(b) Fixed expenses
(c) Break even sales and
(d) % of margin of safety.

PART - C

ANSWER ANY **TWO** QUESTIONS (2x20=40 marks)

18. What are the advantages and limitations of management accounting?

19. From the following information compute:

a. Material cost variance
b. Material price variance
c. Material usage variance
d. Material mix variance
e. Material subusage variance

Material	Standard Quantity(Kg.)	Standard price (Rs.)	Actual Quantity (Kg.)	Actual price (Rs.)
X	20	5	24	4.00
Y	16	4	14	4.50
Z	12	3	10	3.25
Total	48		48	

20. Balance Sheets M/s Black and White as on 1.1.1998 and 31.12.1998 were as follows:

BALANCE SHEET

Liabilities	1.1.98 (Rs.)	31.12.1998 (Rs.)	Assets	1.1.98 (Rs.)	31.12.1998 (Rs.)
Creditors	40,000	44,000	Cash	10,000	7,000
Mr. White's loan	25,000	----	Debtors	30,000	50,000
Loan from P.N Bank	40,000	50,000	Stock	35,000	25,000
Capital	1,25,000	1,53,000	Machinery	80,000	55,000
			Land	40,000	50,000
			Building	35,000	60,000
Total	2,30,000	2,47,000	Total	2,30,000	2,47,000

During the year machine costing Rs.10,000 (accumulated depreciation Rs.3,000) was sold for Rs.5,000. The provision for depreciation against machinery as on 1.1.1998 was Rs.25,000 and on 31.12.1998 Rs.40,000. Net profit for the year 1998 amounted to Rs.45,000. You are required to prepare Funds (working capital) Flow statement.

21. With the following ratios and further information given below, prepare a Trading account, profit and Loss account and a Balance Sheet of Shri Narain:

Gross Profit Ratio	25%
Net Profit/Sales	20%
Stock-turnover Ratio	10
Net Profit/ capital	1/5
Capital to Total Liabilities	1/2
Fixed Assets/capital	5/4
Fixed assets/Total current assets	5/7
Fixed Assets	Rs. 10,00,000
Closing stock	Rs. 1,00,000

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