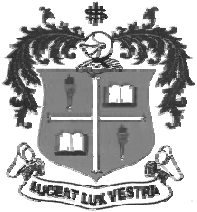


LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – NOVEMBER 2013

CO 1102 - MANAGERIAL ACCOUNTING

Date : 07/11/2013
Time : 1:00 - 4:00

Dept. No.

Max. : 100 Marks

PART -A

Answer All Questions

(10*2=20)

1. State the need for proper accounting system
2. Give the proforma of P/L Appropriation account
3. Distinguish between cash and fund
4. State any two financing activities of a company
5. What is economic order quantity?
6. What is centralized purchase?
7. How do you determine wages under time rate and piece rate systems?
8. State the bases for the apportionment of rent and canteen expenses
9. Find out P/V Ratio When sales are Rs.2000, variable cost is Rs.1200.
10. Make a graphical presentation of breakeven point.

PART-B

Answer Any Four Questions

(4*10=40)

11. What is store keeping? Explain the purpose of conducting ABC analysis.
12. Describe the advantages and limitations of marginal costing
13. In the production department of a factory Two components X and Y are used as follows :

Normal usage 4,500 units	Minimum usage 2,250 units Maximum usage 6,750 units
Re – order Quantity X = 19,500 units Y = 21,000 units	Re- order period X = 3 to 5 weeks Y = 2 to 4 weeks

You are required to calculate (a) Reorder level (b) Maximum stock level (c) Minimum stock level (d) Average stock level

14. Following is the balance sheet of Alok Company n ltd.

LIABILITIES Rs.	2007	2008	ASSETS Rs.	2007	2008
Share Capital	12,000	14,000	Fixed Assets	13,000	12,500
6% Debentures	8,000	5,000	Stock	4,000	1,000
Reserves	2,000	2,500	Debtors	3,000	4,000
P/L a/c	2,000	3,500	Bank Balance	500	1,500
Creditors	1,000	2,000	Investments	4,500	8,000
TOTAL	25,000	27,000	TOTAL	25,000	27,000

You are required to prepare cash flow statement.

15. From the following particulars work out the earnings of a worker under
 - a) Straight piece rate
 - b) Taylor's differential Piece rate
 - c) Halsey plan
 - d) Rowan scheme

Wage rate per hour

Rs.250

Normal piece rate	Rs. 130
Standard output per week	100 units
Actual out put for the week	150 units
Normal working hours per week	45
Normal time per unit	30 minutes

16. A supplier quotes for material X as follows:

Lot price 200 kg @ Rs. 5 per kg.

500 kg @ Rs.3.5 per kg.

800 kg @ Rs. 2.5 per kg.

Supplier allows a trade discount of 25%. One container is required for every 100 kgs of the material and the containers are charged at Rs.15 each but credited at Rs.10 on return. The buyer decides to buy 800 kgs. Transport charges amounted to Rs.200 is charged by the supplier.

Calculate the total cost of purchasing 800 Kgs.

17. The trading results of Raja & Co for the last two quarters are:

Period	Sales	Profit
Year 1	Rs.25,000	Rs.5,000
Year 2	Rs.37,500	Rs.10,000

- Calculate:
- Profit-volume ratio,
 - Fixed costs and Break-even sales volume
 - Sales to earn a profit of Rs.7,500
 - Profit when sales are Rs.20,000

PART –C

Answer Any Two Question

(2*20=40)

18. From the following particulars in respect of a certain material during 2008

April	1	Stock in hand	400 units @ Rs.10
	4	Purchased	800 units @ Rs.6
	7	Issued	600 units
	12	Purchased	200 units @ Rs.8
	16	Returned to stores	100 units @ Rs.5
	20	Purchased	400 units @ Rs.7
	25	Issued	800 units
	26	A shortage of 100 units was noticed and recorded	
	28	Returned to vendors	100 units out of purchase on 20 th April.

You are required to draw up the stores ledger under

- (i) FIFO method (ii) Weighted average method

19. The price structure of a product is as follows:

Material 6 Per unit, Labour Rs. 2 Per unit, Variable overheads Rs. 2 Per unit

Fixed overheads Rs.5,00,000. The selling price is Rs. 18 per unit.

This is based on the manufacture of 100000 cycles per annum.

You are required to calculate:

- Profit volume ratio
- Break even point
- Sales to earn a profit of Rs.3,00,000
- Profit when sales is Rs. 35,00,000

- v. If selling price is reduced by Rs.3, what will be the new break even point
vi. If selling price is reduced by 20% how many units will have to be made to get the same amount of present profit?

20. From the records of an engineering factory that has three production departments Viz. A,B C and two service departments viz. P and R , the following particulars have been collected for the period ended 31st March 2008.

Particulars	Production Dept.			Service Dept.	
	A	B	C	P	R
Direct Wages Rs.	2,000	3,000	4,000	1,000	2,000
Direct material Rs.	1,000	2,000	2,000	1,500	1,500
Staff (number)	100	150	150	50	50
Electricity (Kwh)	4,000	3,000	2,000	1,000	1,000
Light points (No.)	10	16	4	6	4
Assets value (Rs)	60,000	40,000	30,000	10,000	10,000
Area Occupied	150	250	50	50	50
Services to ABC					
By P	20%	30%	30%	--	20%
By R	40%	20%	30%	10%	--

The expenses for the period were:

Power	5,500	Amenities to staff	1,500
Lighting	1,000	Repairs on assets	3,000
Stores overhead	2,000	Staff Insurance	6,000
Depreciation	1,500	Rent and rates	1,100

Find out the total overheads of production departments by preparing overhead distribution summary.

21. Following trail balance extracted from the books of TLS ltd.

<i>Debit balances</i>		<i>credit balances</i>	
Stock as on 1.4 2012	7,000	Equity share 1000 @ Rs. 100 each	1,00,000
Purchases	30,000	Rent received	3,500
Wages	8,000	Sales	1,05,000
Carriage inward	2,000	Sundry Creditors	16,800
Building	50,000	Bank Overdraft	12,200
Motor vehicles	37,000	Profit / Loss a/c	22,500
Sundry Debtors	9,600		
Salaries	15,000		
Advertisements	400		
Travelling Expenses	4,000		
Machinery	80,000		
Discount allowed	1,500		
Cash in hand and at bank	1,000		
Printing and stationary	2,000		
Repairs and renewals	1,500		
Director's remuneration	2,500		
Audit fee	500		
Interim dividend	8,000		
	2,60,000		2,60,000

Adjustments:

- Closing stock Rs.6,000
- Outstanding wages Rs.1,000

3. Depreciate machinery by 5% and motor vehicles by 10%

4. Create provision for doubtful debts at 5% on debtors.

You are required to prepare Profit & Loss account for the year ended 31.03.2013 and Balance sheet as on that date