Subject : Management Accounting

Total Marks : 50

Instructions: - 1. Solve Any Five Questions.

2. All questions carry equal Marks

Q.No. 1 Explain any four concepts of Accounting

Q.No.2 " All controllable costs are direct cost. But all direct costs are not controllable." Explain with the help of suitable examples.

Q.No. 3 What do you mean by standard Costing? Explain its Importance.

Q.NO.4 :- From the following Trial Balance of Shri. Yogesh and additional information, prepare Trading and Profit and Loss Account for the year ended 31st March, 2016 and Balance Sheet as on that date.

Head of Accounts	Debit Amount Rs.	Credit Amount Rs.
Capital		1,00,000
Furniture	20,000	
Purchases	1,50,000	
Debtors	2,00,000	
Interest Earned		4,000
Salaries	30,000	
Sales		3,21,000
Purchase Return		5,000
Wages	20,000	
Rent	15,000	
Sales Return	10,000	
Bad Debts Written off	7,000	
Creditors		1,20,000
Drawings	24,000	
Provision for Bad Debts		6,000
Printing and Stationery	8,000	
Insurance	12,000	
Opening Stock	50,000	
Office Expenses	12,000	
Provision for Depreciation		2,000
Total	5,58,000	5,58,000

Additional Information:

1. Deprecate Furniture by 10% at original cost.
2. A provision for doubtful debts needs to be created to the extent of 5% on sundry debtors.
3. Salaries for the month of March 2015 amounting to Rs. 3000 were unpaid which must be provided.
4. Insurance Premium amounting to Rs. 2000 is Prepaid
5. Closing Stock amounted to Rs. 6000.

Q.No. 5 The following details have been obtained from the cost records of Cement India Ltd. For one month

Particuler	Amount
Stock of Raw Material on 1st April 2016	75,000
Stock of Raw Material on 30th April 2016	91,500
Direct wages	52,500
Indirect Wages	2,750
Sales	2,11,000
Work in Progress 1st April 2016	28,000
Work in Progress 30th April 2016	35,000
Purchase of raw mateiral	66,000
Factory rent, power	15,000
Depreciation of Plant and machinery	3,500
Expenses on Purchases	1,500
Carriage Outward	2,500
Advertising	3,500
Office rent and taxes	2,500
Traveler wages and commissions	6,500
Stock of finished goods on 1st April 2016	54,000
Stock of finished goods on 30th April 2016	31,000

Q.No.6 The " Received " side of the stores Ledger Account shows the following Particulars.

Jan. 1	Opening Balance	500 units @ Rs. 4
Jan. 5	Received from vendor	200 units @ Rs. 4.25
Jan. 12	Received from vendor	150 units @ Rs.4.10
Jan.20	Received from vendor	300 units @ Rs. 4.50
Jan. 25	Received from vendor	400 units @ Rs.4

Issues of material were as follows

Jan. 4 - 200 units; Jan.10 – 400 units; Jan. 15 – 100 units; Jan. 19 – 100 units; Jan 26 – 200 units; Jan.30- 250 units.

Issues are to be priced on the principle of "First in First Out". Write out the stores Ledger Account in respect of the materials for the month of January

Q.No.7 Prasad & Co. wishes to prepare cash budget for the first six months.

Month	Total Sales Rs.	Materials Rs.	Wages Rs.	Production Overhead Rs.	Selling and distribution Overhead Rs.
January	10000	10000	2000	1600	400
February	11000	7000	2200	1650	450
March	14000	7000	2300	1700	450

April	18000	11000	2300	1750	500
May	15000	10000	2000	1600	450
June	20000	12500	2500	1800	600

Additional Information:-

1. Cash balance on 1st January is Rs. 5000. A new machinery is to be installed at Rs. 10000 on credit, to be repaid by two equal installments in March and April
2. Sales Commission @ 5% on total sales is to be paid with a month of following actual sales.
3. Rs. 5000 being the amount of 2nd call may be received in March. Share Premium amounting to Rs. 1000 is also obtainable with the 2nd call
4. Period of credit allowed by suppliers – 2 months
5. Period of credit allowed to customers – 1 month
6. Delay in payment of overheads – 1 month
7. Delay in Payment of wages ½ month
8. Assume cash sales to be 50% of total sales.

Q.NO.8 The Company furnished you the following information for the current year divided into two sub-parts.

Particular	First Half	Second Half
Sales	Rs. 8,10,000	Rs. 10,26,000
Profit Earned	Rs. 21,600	Rs. 64,800

Assume that Fixed Cost remains the same for both the periods. Calculate :

1. P/V Ratio
2. Fixed Cost
3. Break-even Point and Margin of Safety
4. Amount of Profit or Loss when Sales are Rs. 6,48,000
5. Amount of Sales Required to Earn Profit of Rs. 1,08,000