

Exemba/extexam-nov2014

Seat No. _____

Savitribai Phule Pune University
Department of Management Sciences (PUMBA)
Executive MBA
1st Year (Semester – I) External Exam Nov. 2014
102- Financial & Management Accounting

Time: 2hrs.

Marks: 50

Use the separate Ans. Sheet Section – I & II

Section – I

marks. 25

Question 1 is compulsory and it carries 5 marks. Q.2 to Q.4 carries 10 marks each. Attempt any 2 questions from the rest.

Q.1) Double entry implies that transaction is recorded in Journal and Ledger. Comment

Q.2) Emphasis of Financial Accounting is different from Cost Accounting. Comment

Q.3) Explain Accounting Principles, Concepts and Conventions.

Q.4) Explain classification of cost on various basis with suitable examples.

Section – II

marks. 25

Q.No. 1 : For the production of 10000 electric automatic irons; the following are the budgeted expenses

	Per Unit	(Rs.)
Direct Material		60
Direct labour	30	
Variable Overhead	25	
Fixed Overhead (Rs. 1,50,000)		15
Variable expenses (direct)	05	
Selling expenses (10%) fixed		15
Administration expenses (Rs. 50,000 rigid for all levels of production)		05
Distribution expenses (20%) fixed	05	
The total cost of sale per unit		160

Prepare a budget for the production of 6,000, 7,000 and 8,000 irons.

Marks 10

OR

Q.No.1 : A company expects to have Rs.37500 cash in hand on 1st April, and requires you to prepare an estimate of cash position during the three months, April, May and June. The following information is supplied to you.

Month	Sales	Purchase	Wages	Factory Exp.	Office Exp.	Selling Exp.
February	75,000	45,000	9,000	7,500	6,000	4,500
March	84,000	48,000	9,750	8,250	6,000	4,500
April	90,000	52,500	10,500	9,000	6,000	5,250
May	1, 20,000	60,000	13,500	11,250	6,000	6,570
June	1, 35,000	60,000	14,250	14,000	7,000	7,000

Other Information:-

1. Period of credit allowed by suppliers 2 months
2. 20% of sales is for cash and period of credit allowed to customers for credit is one month.
3. Delay in payment of all expenses – 1 Month
4. Income tax of Rs. 57500 is due to be paid on June 15th
5. The company is to pay dividends to shareholders and bonus to workers of Rs. 15000 and Rs. 22500 respectively in the month of April
6. Plant has been ordered to be received and paid in May. It will cost Rs. 120000.

Marks 10

Q.No. 2 : The Reliable Batteryh CO. furnishes you the following information.

	First Half	Second Half
Sales	Rs. 810000	Rs.1026000
Profit Earned	Rs. 21600	Rs. 64800

Form the above you are required to compute the following assuming that the fixed cost remains the same in both the periods.

1. P/V Ratio
2. Fixed Cost
3. The amount of profit or loss where sales are Rs. 648000.
4. The amount of sales required to earn a profit of Rs. 108000.

Marks 10

OR

Q.No.2 : A ball pen manufacturer has developed a new ball pen with unique features. His design development executive has suggested three possible retail prices viz. Rs. 15 for super star ; Rs. 10 for deluxe and Rs. 7.50 for economy model. His marketing manager says that the wholesalers and retailers have to be given at least 30% discount.

The estimated fixed cost would be around Rs. 70000 and variable cost per unit would be Rs. 3.50

- (a) Calculate break-even point for each model of ball pen.
- (b) How much should the manufacturer sell in order to make a profit of Rs. 21000? Work out for each model of ball pen.

Marks 10

Q.No.3 : Write Short Note (Any Two)

Marks 05

1. Profit Volume Ratio.
2. Types of Budget
3. Material Variance