

University of Pune
Department of Management Sciences (PUMBA)
Executive MBA
External Exam December 2012

102 – Financial & Management Accounting

Total marks: 50

Solve any five questions. All questions carry equal marks.

Q. 1) From the following forecast of income and expenditure prepare a cash budget for the three months commencing 1st June, 2012, when the estimated opening bank balance on 1st June will be Rs. 2, 00,000.

Month	Sales	Purchases	Wages	Factory expenses	Administrative & selling expenses
April	80,000	61,000	5,000	4,000	20,000
May	90,000	70,500	5,000	4,200	24,000
June	78,500	28,500	5,400	5,000	25,000
July	1,20,000	47,000	4,800	5,200	27,000
August	1,45,500	35,000	5,000	6,000	23,000

A plant valued at Rs. 85,000 will be purchased and paid for in August, and the dividend for the last financial year of Rs. 55,000 will be paid in July. Two months credit period is allowed to customers and received from suppliers. Wages, factory expenses and administrative & selling expenses are in the following month.

Q. 2) Calculate material variances from the following data:

Standard material cost for 100 kgs of chemical X is made up of
Chemical A – 50 kgs @ Rs. 5 per kg
Chemical B – 100kgs @ Rs. 6 per kg.
A batch of 300 kgs of chemical X was produced from a mix of:
Chemical A – 180kgs @ Rs. 5.50 per kg
Chemical B – 320kgs @ Rs. 7 per kg.

Q. 3) Define classification, allocation, apportionment and absorption of overheads with suitable example.

Q. 4) You are given with the following cost data:

Total sales	Rs. 3, 60,000
Total variable cost	Rs. 2, 40,000
Total fixed cost	Rs.80,000

Total units sold 30,000

Calculate,

- a. Contribution per unit
- b. Breakeven point – units and BEP sales
- c. Margin of safety
- d. Profit
- e. Unit to be sold to earn a profit of Rs. 1,20,000.

Q. 5) Prepare a Trading and Profit & Loss A/C and a Balance sheet for the year ended 31st March, 2012.

Trial Balance

Particulars	Amount Dr.	Amount Cr.
Capital Account		3,00,000
Drawings Account	20,000	
Freehold Land & Building	2,10,000	
Plant & Machinery	1,60,000	
Opening Stock	45,000	
Purchases	1,91,000	
Wages	30,000	
Carriage Inward	8,500	
Salaries	25,000	
Rent, rates & taxes	12,800	
Bank A/C	40,000	
Cash in hand	2,400	
Sundry Debtors & S. Creditors	1,45,000	80,000
Bad Debts	8,700	
Advertisement	14,500	
Goods sold		2,85,000
Furniture and fixtures	10,000	

Printing & stationery	1,850	
10 % Loan		2,00,000
Bills payable		59,750
Total	9,24,750	9,24,750

Adjustments:

- a. Closing stock is valued at Rs. 45,000.
- b. Provide depreciation at 10 % on plant & machinery.
- c. Outstanding wages Rs. 1,000.
- d. Prepaid salaries Rs. 2,000.

Q. 6) Explain the following concepts "Accounting principles, concepts and conventions"

Q. 7) Write short notes (any two)

- a. Adjustments in Final Accounts
- b. Marginal costing
- c. Types of budget

Q. 8) Explain various methods of pricing of materials issues with suitable example.