

CODE:

INSTITUTE OF MANAGEMENT STUDIES
DEVI AHILYA VISHWAVIDHYALAYA, INDORE
END SEMESTER EXAMINATION
APRIL-MAY 2024
MBA (FINANCIAL ADMINISTRATION) II Sem.
Cost and Management Accounting

76457

Time Allowed: 3 Hours

Max. Marks: 60

Attempt any five questions. Each question carries 12 marks.

- Q.1 Discuss the components of cost and rolls of cost control and cost reduction to manage and reduce the overall cost.
- Q.2 Compare the cost, financial and management accounting. Discuss the role of management accounting and its limitations with respect to integration of financial data in the organization.
- Q.3 Discuss the types of costing decisions and their applications and limitations.
- Q.4 Make out necessary accounts from the following details:

	Process I	Process II	III
Material	30000	4000	6000
Labour	10000	12000	8000
Overheads	7000	8850	6000
Inputs (Units)	20000 (Rs.3 P.U.)	17500(Rs.4 P.U.)	5000(Rs.6 P.U.)
Normal Loss	10%	4%	5%
Sales value of Scrape Per Unit Re 1. /-		2/-	5/-

Final output of process I, II and III are 17000, 33600 and 36500 units respectively.

- Q.5 Prepare cash budget for consecutive three months Feb., March and April from the following information:

	January	February	March	April	May
Sales (30% cash)	800000	1500000	1200000	1000000	1000000
Purchases (40% cash)	500000	500000	600000	500000	400000
Overheads	100000	300000	178000	200000	200000
Labor	150000	130000	180000	220000	120000
Sale of machine	--	--	800000	---	
Other exp.	200000	300000	150000	200000	120000

Additional Information:

- Cash balance to be maintained Rs. 65000, any additional amount to be invested in marketable securities and any short fall are to be managed through short term loan from bank.
- Credit sales are realized in following two months in 6:4 ratios respectively.
- Payment to creditors just after a month from the date of supply.
- Labor is paid weekly on first day of next week.
- Equipment and furniture are to be purchased amounted to Rs. 750000 in the month of February additional amount to be arranged from bank loan.

Q.6

From the following Balance Sheets of X Ltd. Prepare cash Flow Statement:

Liabilities	2010	2011	Assets	2010	2011
Equity capital	190000	132000	Plant & Machinery	60000	40000
P & L A/c	45000	15000	Furniture	110000	80000
General Reserve	30000	20000	Investments	40000	50000
12% Debenture	50000	70000	Debtors	60000	40000
Creditors	10000	20000	Inventories	75000	50000
Provision for Tax	25000	15000	Cash	5000	10000
			Bills Receivable		2000
TOTAL	350000	272000	TOTAL	350000	272000

Additional Information:

- i. Depreciation on machinery Rs.15,000/- and on furniture Rs.12,000/-
- ii. Dividend paid Rs.12,000.
- iii. Tax paid during the year Rs.18000.

Q.7

Calculate all Material variances from the data given bellow:

Material	Standard		Actual	
	Quantity (Kg.)	Price Per Kg.	Quantity (Kg.)	Price Per Kg.
A	40%	40/-	850	43/-
B	60%	62/-	850	65/-
Total	100%		1700	
Loss	(10%)		200	