

**M. COM. SEM - IV (CHOICE BASED CREDIT SYSTEM) (2012
COURSE) : SUMMER - 2018**

SUBJECT : MANAGEMENT ACCOUNTING - II

Day : **Saturday**
Date : **21/04/2018**

S-2018-0387

Time : **03.00 PM TO 06.00 PM**
Max. Marks : **60**

N. B. :

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.

Q.1 What is 'Cash Budget'? How Cash Budget is prepared? What are the (16) advantages of Cash Budget?

OR

Prepare a budget for the production of: (16)

- a) 60 % Capacity
- b) 80 % Capacity

	At 100 % Capacity Rs.
Material	6,00,000
Laobur	2,00,000
Variable expenses (Direct)	40,000
Variable Overheads	2,00,000
Fixed Overheads	80,000
Administrative Expenses (Fixed)	40,000
Selling Expenses (10 % Fixed)	1,20,000
Distribution Expenses (20 % Fixed)	60,000

Q.2 What do you mean by 'Marginal Costing'? Discuss its usefulness and (16) limitations.

OR

You are given the following data: (16)

Year	Sales (Rs.)	Profit (Rs.)
2009	1,20,000	9,000
2010	1,40,000	13,000

Assuming that the cost structure and selling price remain unchanged in the two years, find out:

- a) P/ V Ratio
- b) Break-Even-Point
- c) Profit when sales are Rs. 1,00,000/-
- d) Sales required to earn a profit of Rs. 20,000/-

P. T. O.

Q. 3 Discuss the following two methods of Capital Appraisal and explain the salient features of there of : (16)

- a) Pay back method
- b) Return on Investment Method

OR

A company proposing to expand its production can go in either for an automatic machine costing Rs. 2,24,000/- with an estimated life of 5.5 years or an ordinary machine costing Rs. 60,000/-, having an estimated life of 8 years.

The Annual Sales and Costs as estimated are :

Particulars	Automatic Machine Rs.	Ordinary Machine Rs.
Sales	1,50,000	1,50,000
Costs -		
Material	50,000	50,000
Labour	12,000	60,000
Variable Overheads	24,000	20,000

Compute the comparative profitability of the proposals under the Pay back Method.

Q. 4 Write short notes on **ANY THREE** of the following: (12)

- a) Budget Manual
- b) Master Budget
- c) Break-Even-Point
- d) Idle Time Variance
- e) Types of Variance

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