

S.D.E.

M. COM. PART-II : SUMMER - 2018

SUBJECT : MANAGEMENT ACCOUNTING

Day : Wednesday
Date : 11/04/2018

Time : 3.00 P.M. TO 6.00 P.M.
Max. Marks : 80

S-2018-4204

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Answers to both the sections should be written in the **SAME** answer book.

SECTION – I

- Q.1 Explain the term 'Management Accounting' and state its main objectives and limitations. [16]

OR

Distinguish between Cost Accounting and Management Accounting.

- Q.2 What is meant by Ratio Analysis? Discuss its advantages and limitations. [16]

OR

The following is the Balance Sheet of Henley Cable Ltd., Hazaribag as on 31st March, 2013.

Balance Sheet as on 31st March, 2013

Liabilities	₹	Assets	₹
Share Capital	2,00,000	Land and Building	1,40,000
Profit and Loss A/c	30,000	Plant and Machinery	3,50,000
General Reserve	40,000	Stock-in-Trade	2,00,000
12% Debenture	4,20,000	Debtors	1,00,000
Creditors	1,00,000	Bills Receivable	10,000
Bills Payable	50,000	Bank Balance	40,000
Total	8,40,000	Total	8,40,000

Calculate:

- a) Current Ratio
- b) Quick Ratio
- c) Inventory to Working Capital
- d) Debt to Equity

SECTION – II

- Q.3 Explain the principles of Marginal Costing. How does marginal costing differ from total costing? [16]

OR

P.T.O.

The sales turnover and profit during two years were as follows:

Year	Sales (₹)	Profit (₹)
2012	1,50,000	20,000
2013	1,70,000	25,000

You are required to calculate:

- P.V. Ratio
- Break-even point
- Sales required to earn a profit of ₹ 40,000
- Profit made when sales are ₹ 2,50,000
- Margin of safety at a profit of ₹ 50,000

Q.4 What is 'Budgetary Control'? Explain different types of budgets. **[16]**

OR

The standard cost card shows the following details relating to the material needed to produce 1kg. of groundnut oil:

Quantity of groundnut required	3 kg.
Price of groundnut	₹ 2.50 per kg.
Actual production data:	
Production during the week	1,000 kg.
Quantity used	3,500 kg.
Price of groundnut per kg.	₹ 3

Calculate:

- Material Cost Variance
- Material Price Variance
- Material Usage Variance

Q.5 Write notes on **ANY FOUR** of the following: **[16]**

- Functions of Management Accounting
- Margin of Safety
- Limitations of Cash Flow Analysis
- Inventory Management
- Average Rate of Return Method
- Labour Efficiency Variance

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