

S.D.E.
M. Com. Part-II : WINTER - 2018
SUBJECT : MANAGEMENT ACCOUNTING

Day : Tuesday
Date : 09/10/2018

W-2018-4336

Time : 03.00 PM TO 06.00 PM
Max. Marks : 80

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 **SAME** answer book.

SECTION – I

Q.1 Explain the term ‘Management Accounting’. Discuss its nature, advantages and disadvantage. **(16)**

OR

- a) Explain the purposes and objectives of Management Accounting. **(08)**
- b) “The scope of Management Accounting is much wider than that of Cost Accounting”. Discuss. **(08)**

Q.2 What is Ratio Analysis? Discuss its importance and limitations. **(16)**

OR

Following are the comparative Balance Sheet of Ashoka Ltd. Aurangabad for the year ended 31st December 2011 and 31st December 2012.

Particulars	2011 ₹	2012 ₹
Assets	43,000	58,000
• Cash	2,000	2,000
• Prepaid Expenses	80,000	90,000
• Debtors	32,000	40,000
• Stock	50,000	30,000
• Investment (Long term)	25,000	40,000
• Machinery (at cost)	75,000	90,000
• Building (at cost)	10,000	10,000
• Land		
Total	3,17,000	3,60,000
Liabilities		
• Provisions for Doubtful Debts	2,000	3,000
• Accumulated Depreciation		
– Machinery	3,000	7,500
– Buildings	12,000	18,000
• Creditors	33,000	40,000
• Outstanding Expenses	3,500	4,500
• Debentures	40,000	35,000
• Equity Share Capital	2,00,000	2,00,000
• Profit and Loss Account	23,500	52,000
Total	3,17,000	3,60,000

Additional Information:

- 1) Dividend paid during 2012 was ₹ 26,500.
- 2) Investment costing ₹ 20,000 were sold in 2012 for ₹ 25,000
- 3) Machinery costing ₹ 5,000 on which ₹ 1,000 depreciation has been accumulated was sold for ₹ 6,000 in 2012.

Prepare statement of changes in Working Capital and Fund Flow Statement for the year ended 31st December 2012.

P.T.O.

SECTION – II

Q.3 Discuss the significance of the following terms in relation to Marginal Costing: **(16)**

- 1) Break –Even-Point
- 2) Margin of Safety
- 3) Profit Value ratio
- 4) Angle of Incidence

OR

Calculate Break-Even- Point, P/V Ratio and Margin of Safety from the following figures.

Particulars	₹
Sales	3,00,000
Fixed Expenses	75,000
Direct Material	1,00,000
Direct Labour	60,000
Variable Expenses	40,000

Q.4 What is 'Budgeting Control'? Explain the steps in Budgeting Control Procedure. **(16)**

OR

Particulars	At 100% Capacity ₹
Materials	6,00,000
Labour	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.

Prepare a budget for the production of :

- a) 60% Capacity b) 80% capacity

Q.5 Write notes on any **FOUR** of the following: **(16)**

- a) Accounts Receivable Management
- b) Discounted Pay back Period Method
- c) Setting of Standard
- d) Average Rate of Return Method
- e) Solvency Ratio
- f) Materials Cost Variance

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