M. COM. SEM - IV (CHOICE BASED CREDIT SYSTEM) (2012 COURSE) : WINTER - 2017

SUBJECT : MANAGEMENT ACCOUNTING – II

Day : **Wednesday**
Date : **01/11/2017**

W-2017-0346

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.
3) Use of non-programmable calculator is allowed.

Q.1 What is budgetary control? Explain different types of budgets. **(16)**

OR

Prepare a flexible budget for overheads on the basis of the following data. Ascertain the overheads rates at 50%, 60% and 70% capacity.

	At 60% Capacity
Variable Overheads:	
Indirect Material	6,000
Indirect Labour	18,000
Semi-Variable Overhead:	
Electricity (40% fixed 60% variable)	30,000
Repairs (80% fixed 20% variable)	3,000
Fixed Overheads:	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total Overheads	93,000
Estimated direct labour hours	1,86,000

Q.2 Discuss the importance of the following in relation to Margination Costing: **(16)**

a) Break-even-point
b) Margin of Safety
c) P/V ratio
d) Contribution

OR

You are given the following data for the year 2013 of PQR Ltd.

	Rs.
Variable Cost	6,00,000
Fixed Cost	3,00,000
Sales	10,00,000
Net Profit	1,00,000

Find out:

a) PV Ratio
b) B.E.P.
c) Profit when sales amounted to Rs. 12,00,000
d) Sales to earn a profit of Rs. 2,00,000

P.T.O.

Q.3 Explain the meaning and nature of capital expenditure. **(16)**

OR

X Ltd. is considering the purchase of a new machine. Two alternatives are available having cost price Rs. 2,00,000 (Two Lakh) each. The following inflows are expected during the five year. Life of both machine is 5 years.

Year	Machine A Rs.	Machine B Rs.
1st Year	20,000	60,000
2nd Year	60,000	80,000
3rd year	80,000	1,00,000
4th Year	1,20,000	60,000
5th Year	80,000	40,000

The company is expecting 10% return on its capital. The net present values of Re 1 @ 10% are as under:

1st Year 0.909
2nd Year 0.826
3rd year 0.751
4th Year 0.683
5th Year 0.620

You are required to appraise the proposals on the basis of:

1) Pay-back period method
2) Average rate of return method
3) Net present value method

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

a) Objectives of budget
b) Make or Buy Decisions
c) Average Rate of Return Method
d) Types of Standards
e) Managerial uses of variance

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