

S.D.E.

M. COM. PART-II : WINTER - 2017

SUBJECT : MANAGEMENT ACCOUNTING

Day : Tuesday
Date : 24/10/2017

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

W-2017-4013

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** “Management Accounting is essentially information accounting”. Explain the usefulness of Management Accounting to modern business. [16]

OR

What is meant by Financial Accounting? Explain its functions and limitations.

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

OR

Following is the Balance Sheet of Binaca Ltd., Baroda as on 31st March, 2013.

Liabilities	₹	Assets	₹
Paid-up Capital	12,00,000	Goodwill	2,00,000
Reserve	2,00,000	Land	6,00,000
Profit and Loss	4,30,000	Plant	4,30,000
Sundry Creditors	5,00,000	Sundry Debtors	8,20,000
Bank Overdraft	1,00,000	Stock of goods	2,50,000
		Bank Balance	1,30,000
Total	24,30,000	Total	24,30,000

Additional information:

- a) Gross Profit for the year 2012-13 ₹ 9,00,000
- b) Sales for the year 2012-13 ₹ 30,00,000
- c) Stock of goods on 1st April, 2012 ₹ 2,00,000

From the above information calculate the following accounting ratios:

- i) Current Ratio
- ii) Liquid Ratio
- iii) Gross Profit Ratio
- iv) Stock Turnover Ratio
- v) Proprietary Ratio

SECTION – II

- Q.3** “The technique of marginal costing is a valuable aid to management”. Comment. [16]

OR

P.T.O.

From the following data for a 60% activity, prepare a budget for production at 80% and 100% capacity:

Production	600 units
Material Cost	₹ 100 per unit
Direct Wages	40 per unit
Direct Expenses	10 per unit
Factory Overheads	40,000 (40% fixed)
Administrative Overhead	30,000 (60% fixed)

Q.4 What is 'Standard Costing'? Explain its advantages and limitations. **[16]**

OR

A firm gives you the following data:

Standard time per unit	2.5 hours
Actual hours worked	2,000 hours
Standards rate of wages	₹ 2 per hour

25% of the actual time has been lost as abnormal idle time.

Actual output 1,000 units

Actual Wages ₹ 4,500

Calculate:

- a) Labour Variance
- b) Labour Rate Variance
- c) Labour Efficiency Variance
- d) Idle Time Variance

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

- a) Uses of Fund Flow Statement
- b) Functions of Management Accountant
- c) Application of Marginal Costing
- d) Inventory Management
- e) Labour Rate Variance
- f) Determinants of Working Capital

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