

MASTER OF COMMERCE (CBCS - 2018 COURSE)
M.Com. Sem-IV : WINTER- 2022
SUBJECT : MANAGEMENT ACCOUNTING-II

Day : Tuesday

Time : 02:00 PM-05:00 PM

Date : 27-12-2022

W-18545-2022

Max. Marks : 60

N. B. :

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of **CALCULATOR** is allowed.

Q.1 What is 'Standard Costing'? What are advantages and limitations of Standard Costing? (16)

OR

- a) Discuss on managerial uses of variances. (08)
- b) Explain in brief Material Cost Variance (08)

Q.2 What is 'Budget'? Explain objectives, advantages and limitations of Budgets. (16)

OR

Following details supplied by Eagle Ltd. Prepare a cash Budget for the period from 1st September 2019 to 31st December 2019

Month	Credit Purchases	Credit Sales	Wages (Rs.)	Selling Exp. (Rs.)	Overheads (Rs.)
July	85,000	1,60,000	32,000	8,000	10,000
August	92,000	1,85,000	37,000	9,500	11,500
September	1,00,000	2,10,000	42,000	10,500	13,000
October	1,20,000	2,45,000	49,000	12,500	14,500
November	90,000	1,78,000	35,500	8,900	10,500
December	98,000	1,82,000	36,000	9,000	11,000

Additional Information :

- i) Expected cash balance on 1st September Rs. 10,500
- ii) Period of credit allowed to Debtors Two months
- iii) Period of credit allowed by Creditors One month
- iv) Lag in payment of wages, selling expenses and overheads-One month
- v) Selling commission @ 2% on sales is payable one month after sales.
- vi) Expenditure on machinery worth Rs. 50,000 is payable in October
- vii) Expected cash sales per month Rs. 15,000
- viii) No commission is payable on cash sales.

P.T.O.

Q.3 What is 'Break-even Point'? How Break-even Point can be utilized in taking various management decisions? **(16)**

OR

Ramesh Ltd. furnished you the following income information :

Year	Sales (Rs.)	Profit (Rs.)
2019	8,10,000	21,600
2020	10,26,000	64,800

From the above you are asked to compute the following assuming that the fixed cost remain the same in both the periods

- i) P/V ratio
- ii) Fixed Cost
- iii) Profit or loss when sales Rs.6,48,000
- iv) Amount of sales required to earn profit of Rs.1,08,000

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

- a) Master Budget
- b) Advantages of Variance
- c) Margin of safety
- d) Internal Rate of Return Method
- e) Labour efficiency Variance

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