B.V. Patel Institute of Business Management, Computer & Information Technology
Uka Tarsadia University
2nd Internal Examination, TYBCOM 5th Semester
030100511: Management Accounting

Marks: 50
Date: 30/08/2017 **Time: 2 hrs.**

Q-1 Answer the following. (Any Five)		**[10]**
1.	Define marginal costing.	
2.	Draw Break even chart.	
3.	Enlist objectives of budgeting.	
4.	Classify the budgets on the basis of time and flexibility.	
5.	Enlist methods of accounting for changing prices.	
6.	What are demerits of inflation account?	
Q-2 Answer the following. (Any Two)		**[20]**

1. Prepare a cash budget for the period of April to June 2016 from the following data indicating the extent of bank facility the company will require at the end of each month.

Month	Sales (Rs.)	Purchase (Rs.)	Wages (Rs.)	Mfg. Exp.(Rs.)	Office exp. (Rs.)	Selling exp.(Rs.)
February	1,80,000	1,24,800	12,000	3,000	2,000	2,000
March	1,92,000	1,44,000	14,000	4,000	1,000	4,000
April	1,08,000	2,43,000	11,000	3,000	1,500	2,000
May	1,74,000	2,46,000	12,000	4,500	2,000	5,000
June	1,26,000	2,68,000	15,000	5,000	2,500	4,000
July	1,40,000	2,80,000	17,000	5,500	3,000	4,500
August	1,60,000	3,00,000	18,000	6,000	3,000	5,000

- Cash on hand 1-4-2016 Rs.25,000.
- 50% of credit sales are realized in the month following the sale and the remaining 50% in the second month following. Creditors are paid in the month following the month of purchase.
- Lag in payment of manufacturing expenses ½ month.
- Lag in payment of other expenses 1 month

2. From the following particulars related to Uma ltd. for the year 2013 calculate gearing adjustment.

particulars	1-1-13 (Rs.)	31-12-13 (Rs.) (CCA method)
Equity share capital	15,50,000	28,70,000
Cash/ bank	2,20,000	3,10,000
Reserve	4,40,500	6,24,000
12% debenture	10,50,000	10,50,000
Bank loan	8,05,000	9,65,000
Cost of sale adjustment (COSA)		3,87,000
Depreciation adjustment		1,12,500
Monetary working capital adjustment (MWCA)		1,69,500
Total		6,69,000

3.	Following are the information obtained from a manufacturing concern for the year 2016. Production in unit 5,000. Variable cost per unit Rs. 24 Fixed expenses Rs 30,000 Profit is 33.33% on cost Find out: 1. BEP in units and amount, 2. New BEP in units and amounts if selling price is decreased by 20%, 3. Profit if 3,000 units are sold @ Rs 36, 4. Sales if profit is Rs 10,000, 5. Selling price if BEP is 1500 units, 6. Selling price if profit is Rs 30,000 on sale of 4,000 units.	
Q-3 Answer the following in detail. (Any Two)		**[20]**
1.	Calculate P/V ratio, Profit, Break even sale and margin of safety of both company from the following information.	
2.	A factory works at 60% capacity & produces 12000 units. Prepare flexible budget at 80% and 90% capacity.	
3.	What is marginal costing? Discuss the advantages of marginal costing in detail.	

Table for Q-3 (1):

Particulars	**Rupa & Co.**	**Ratna & Co**
Sales	Rs. 1,00,000	Rs.1,00,000
Fixed cost	Rs.30,000	Rs.50,000
Variable cost	Rs.50,000	Rs.30,000

Table for Q-3 (2):

Material per unit	Rs.120
Wages per unit	Rs.20
Factory expenses per unit (60% fixed)	Rs.50
Office expenses per unit(80% fixed)	Rs.30

- At 80% capacity cost of material increases by 5% and selling price decreases by 2%.
- At 90% capacity cost of material increases by $8^{1/3}$ % and selling price decreases by 3%.
- At 60% capacity selling price per unit is Rs.250.