

Exam. Code : 304302

Subject Code: 5198

P.G. Dip. in Business Management Semester—II

MANAGEMENT AND COST ACCOUNTING

Paper—PGDBM-202

Time Allowed—3 Hours]

[Maximum Marks—50

SECTION—A

**Note** :— Attempt any **FIVE** questions out of the following **EIGHT** questions. Each question carries **2** marks.

1. Define :

- (i) Elements of cost
- (ii) Process costing
- (iii) Contract price
- (iv) P/V ratio
- (v) Sales budget
- (vi) Usefulness of reporting at different levels
- (vii) Debtors turnover ratio
- (viii) Treatment of interest and dividend in CFS.

## SECTION-B

**Note :-** Attempt any **TWO** questions out of the following **FOUR** given questions. Each question carries **10** marks.

2. Define budgetary control. Give its advantages and limitations.
3. What is Cost Volume Profit Analysis ? How are break even charts prepared ? Give their pros and cons.
4. The finished product of a factory has to pass through three processes (A, B and C). The normal wastage of each process is 20% in A, 5% in B and 10% in C. The percentage of waste is computed on the number of units entering each process. The scrap value of the wastage of process A, B and C is Rs. 10, Rs. 40 and Rs. 20 per 100 units respectively. The output of each process is transferred to the next process and the finished product are transferred from process C into stock. The following further information is obtained :

	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Material Consumed	12,000	4,000	4,000
Direct Labor	8,000	6,000	5,000
Manufacturing Expenses	2,000	4,000	2,000

20,000 units were put into process A at a cost of Rs. 16,000. The output of each process has been : A 19,600 units; B 18,400 units; and C 16,700 units. There was no stock of work in progress in any process. Prepare process accounts, normal wastage A/C, abnormal wastage A/C and abnormal effectives A/C.

5. From the following data, find out :

- (a) P/V ratio
- (b) Break even point
- (c) Margin of safety

Present production and sales	10,000 units
Selling price per unit	Rs. 200
Variable cost per unit	Rs.
Direct materials	50
Direct wages	25
Variable overhead	100% of direct wages
Fixed cost	Rs. 4,00,000

### SECTION-C

**Note :-** Attempt any **TWO** questions out of the following **FOUR** given questions. Each question carries **10** marks.

6. What is the scope of Management Accounting ? Discuss function of management accounting.
7. Define cash flow statement. Give its format as per AS-3.
8. The following information is given about SP Ltd. for the year ending December 31, 2012.
  - (a) Stock turnover ratio = 6 times
  - (b) Gross profit ratio = 20% on sales
  - (c) Sales for 2012 = Rs. 3,00,000
  - (d) Closing stock is Rs. 10,000 more than the opening stock

- (e) Opening creditors = Rs. 20,000  
 (f) Closing creditors = Rs. 30,000  
 (g) Trade debtors at the end = Rs. 60,000  
 (h) Net working capital = Rs. 50,000

Find out :

- (i) Average stock  
 (ii) Purchases  
 (iii) Creditors turnover ratio  
 (iv) Average payment period  
 (v) Average collection period  
 (vi) Working capital turnover ratio.

9. The following detail are available from a company :

	31-12-06	31-12-07		31-12-06	31-12-07
Share Capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6,000	Debtors	14,900	17,700
Reserve for Doubtful debt.	700	800	Stock	49,200	42,700
Trade creditors	10,360	11,840	Land	20,000	30,000
P&L A/C	10,040	10,560	Goodwill	10,000	5,000
	1,03,100	1,03,200		1,03,100	1,03,200

In addition you are given :

- (i) Dividend paid total Rs. 3,500  
 (ii) Land was purchased for Rs. 10,000  
 (iii) Amount provided for amortizations of goodwill  
 Rs. 5,000  
 (iv) Debenture paid off Rs. 6,000

Prepare cash flow statement.