

Exam. Code : 304302

Subject Code : 6824

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

**PGDBM-202 : MANAGEMENT AND COST  
ACCOUNTING**

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 overhead
- (ii) Limitations of cost accounting
- (iii) Cost plus contracts
- (iv) P/V ratio
- (v) Objectives of budgetary control
- (vi) Modes of reporting
- (vii) Investing and financing activities
- (viii) Trend analysis.

**SECTION—B**

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

2. Define Cost Accounting. Differentiate between cost accounting and financial accounting.

3. What is contract costing ? Discuss its features.
4. M/s A.B. Shoes Company manufactures two types of shoes A and B. Production costs for the year ended 31<sup>st</sup> March, 2015 were :

	Rs.
Direct material	15,00,000
Direct wages	8,40,000
Production overhead	3,60,000

There was no work in progress at the beginning or at the end of the year. It is ascertained that :

- (a) Direct material in Type A shoes consist twice as much as that in Type B shoes.
- (b) The direct wages for Type B were 60% of those of Type A shoes.
- (c) Production overhead was the same per pair of A and B types.
- (d) Administrative overhead for each type was 150% of direct wages.
- (e) Selling cost was Rs. 1.50 per pair.
- (f) Production during the year was : Type A 40,000 pairs of which 36,000 were sold; Type B 1,20,000 pairs of which 1,00,000 were sold.
- (g) Selling price was Rs. 44 for Type A and Rs. 28 for Type B per pair.

Prepare a statement showing cost and profit.

5. The following data are available from the record of S.T. Co. Ltd. for the year ended 31st March, 2007 :

Sales : Rs. 40,000

Variable cost : Rs. 20,000

Fixed cost : Rs. 12,000

You are required to :

- Calculate the P/V Ratio, BEP and Margin of Safety at this level
- Calculate the effect of 10% increase in sales price
- Calculate the effect of 10% decrease in sales price.

### SECTION—C

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

- What is the scope of management accounting ? Discuss function of management accounting.
- Define cash flow statement. How is it prepared ?
- You are supplied with the following information from the records of M/s Anand Ltd. for the year ending 31<sup>st</sup> December, 2011 :

Trade debtors at the end of the year	90,000
Trade creditors at the beginning of the year	25,000
Trade creditors at the end of the year	45,000
Net working capital	1,20,000
Stock turnover ratio	5 times
Sales for the year 2011	5,00,000
Gross profit ratio	20% on sales

Calculate :

- (i) Average stock
  - (ii) Purchases
  - (iii) Average payment period
  - (iv) Average collection period
  - (v) Creditors turnover ratio
  - (vi) Working capital turnover ratio.
9. The following are the comparative Balance Sheets of XYZ Ltd. as on 31<sup>st</sup> December, 2010 and 2011 :

Liabilities	31-12-2010	31-12-2011	Assets	31-12-2010	31-12-2011
Share Capital (Shares of Rs. 10 each)	3,50,000	3,70,000	Land	1,00,000	1,50,000
P & L A/c	50,400	52,800	Stocks	2,46,000	2,13,500
9% Debentures	60,000	30,000	Goodwill	50,000	25,000
Trade Creditors	51,600	59,200	Cash and bank	42,000	35,000
			Temporary investments	3,000	4,000
			Debtors	71,000	84,500
	5,12,000	5,12,000		5,12,000	5,12,000

Other particulars provided to you are :

- (a) Dividends declared and paid during the year Rs. 17,500
- (b) Land was revalued during the year at Rs. 1,50,000 and the profit on revaluation transferred to Profit and Loss Account.

You are required to prepare a cash flow statement for the year ended 31-12-2011.