

Exam. Code : 304302

Subject Code : 7414

P.G. Diploma in Business Management 2nd Semester

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) Factory cost.
- (ii) Output costing.
- (iii) Work certified.
- (iv) Features of marginal costing.
- (v) Financing activities.
- (vi) Inventory turnover ratio and inventory conversion period.
- (vii) Comparative Balance Sheet.
- (viii) Nature of Ratio analysis.

SECTION—B

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

2. Define cost accounting. Discuss its importance and limitations.
3. Discuss different types of budgets.
4. The product of a manufacturing concern passes through three processes A, B and C. The output of process A and B is charged to the next process to give a profit of 25 % on cost while the output of Process C is charged to Finished Stock Account which gives process C, a profit of 25 % on cost.

From the following particulars prepare the Process Accounts and Finished Stock account and calculate unrealized profit included in the closing stock and the amount of actual profit made by the concern. There was no opening stock and closing stock in each process has been valued at prime cost.

	Processes		
	A	B	C
Material used	14,000	21,000	7,000
Labor	21,000	14,000	28,000
Closing stock	7,000	14,000	21,000
Sales	1,26,000		

Closing stock of finished goods amounted to Rs. 14,000.

5. (A) The ratio of variable cost to sales is given to be 70 %. The break-even point occurs at 50 % of capacity sales. Find out capacity sales when fixed costs are Rs. 90,000. Determine profit at 80 % and 100 % capacity sales.

(B) AB Ltd. supplies the following information :

Break even sales volume	Rs. 30,000
Profit	Rs. 1,500
Fixed cost	Rs. 6,000

Calculate variable cost.

SECTION—C

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

6. Discuss functions, role and scope of management accounting.
7. What is MIS ? How is it helpful at different levels of management ?

8. You are supplied with the following information from the records of M/S Anand Prabhat Ltd. for the year ending Dec. 31, 2012.

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

Calculate :

- Average stock
- Purchases
- Average payment period
- Average collection period
- Creditors turnover ratio
- Working capital turnover ratio.

9. The following are the summarized Balance Sheets of X Ltd. on 1st January, 2011 & 31st December, 2011 :

Liabilities	1-1-2011	31-12-2011	Assets	1-1-2011	31-12-2011
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
Creditors	1,20,000	1,32,000	Cash	30,000	21,000
Mrs. A's loan	75,000	—	Debtors	90,000	1,50,000
Loan from Bank	1,20,000	1,50,000	Stock	1,05,000	75,000
Capital	3,75,000	4,59,000	Machinery	2,40,000	1,65,000
			Land	1,20,000	1,50,000
			Building	1,05,000	1,80,000
	6,90,000	7,41,000		6,90,000	7,41,000

During the year a machine costing Rs. 3,00,000 (accumulated depreciation Rs. 9,000) was sold for Rs. 15,000. The provision for depreciation against machinery as on 1-1-2011 was Rs. 75,000 and on 31-12-2011 Rs. 1,20,000. Net profit for the year 2011 amounted to 1,35,000. Prepare Cash Flow statement.