

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF COMMERCE (M.COM.)
EXAMINATION : MAY 2022
FIRST SEMESTER
Sub: Management Accounting (MCC-111)

Date: 24/05/2022

Total Marks :100

Time: 2.00 pm to 5.00 pm

Instructions:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.

Q.1 Answer the following questions. (Attempt any two)

(30)

1. Explain in detail advantages and disadvantages of Management Accounting.
2. What is the Funds Flow Statement? Examine its managerial uses.
3. From the following information related to XYZ & Co., choose the best capital structure i.e. the most economical capital structure (figures in lakhs of rupees).

Component	Structure 1	Structure 2	Structure 3
Equity share capital	1000(15%)	1500(16%)	1300(18%)
Preference share capital	200(8%)	300(10%)	300(9%)
Debentures	800(13%)	900(12%)	500(12.5%)
Term loans	1000(14%)	1200(13.5%)	1300(13%)
Fixed Deposits	200(12.5%)	300(11%)	400(12%)

Effective tax rate = 30%

4. With the help of following data for a 50% activity, prepare budget at 75% and 100% activity:
 Production at 50% capacity: 500 units
 Materials: Rs. 100 per unit
 Labour : Rs. 50 per unit
 Expenses: Rs. 10 per unit
 Factory expenses: Rs. 50000(40% fixed)
 Administration expenses = Rs. 40000(50% fixed)

Q.2 Answer the following. (Attempt any three)

(30)

1. What are the principles of good reporting system?
2. Explain in detail concept of CVP analysis.
3. **Compute Margin of safety of Surya Ltd. from the information given below:**
 Selling price : Rs. 8 per unit
 Variable cost: Rs. 4 per unit
 Fixed cost : Rs. 44000
 Sales (Current) : 24000 units p.a.
4. Management Accountant- functions
5. Zero based budgeting explain

Q.3 Write short notes. (Attempt any four)

(20)

- 1 Management Accountant-Role
- 2 ABC analysis

- 3 Management of Working Capital
- 4 Current assets
- 5 Balance sheet
- 6 Decision making

Q.4 Select the Correct Alternatives (Attempt Any Ten)

(20)

- 1 Management accounting serves as a vital source of data for _____.
 - a. Management Planning
 - b. Cost planning
 - c. Accounts planning
 - d. Decision making
- 2 Current ratio = _____.
 - a. Current assets/current liabilities
 - b. Net profit/sales
 - c. Quick assets/current liabilities
 - d. Gross profit/sales
- 3 Working capital = _____.
 - a. Working assets(-) working liabilities
 - b. Current assets(-) current liabilities
 - c. Quick assets(-) current liabilities
 - d. Current liabilities/current assets
- 4 A _____ system facilitates delegation of authority.
 - a. Budgetary control
 - b. Marginal costing
 - c. Cost of capital
 - d. Break even point
- 5 The objective of _____ is to secure optimum working capital
 - a. Flexible budget
 - b. Zero based budget
 - c. Cash budget
 - d. Production budget
- 6 The process of providing information to the management is known as _____.
 - a. Lower level reporting
 - b. Management reporting
 - c. Written reporting
 - d. Good reporting
- 7 _____ is a written document which carries the information.
 - a. Input
 - b. Report
 - c. Ratios
 - d. Production
- 8 WACC means _____.
 - a. Weighted Average Cost of Carriage
 - b. Weighted Average Cost of Capital
 - c. Written Average Cost of Capital
 - d. Written Annual Cost of Capital
- 9 In IRR, for evaluation of more than 1 project, project with _____ IRR is chosen.
 - a. Higher
 - b. Lower
 - c. Average
 - d. Lowest
- 10 _____ per unit is the difference between the selling price of a production or service and its marginal cost.
 - a. Break even point
 - b. Margin of safety
 - c. Contribution
 - d. Fixed cost
- 11 _____ represents the level of activity at which sales revenue is equal to total cost.
 - a. Margin of safety
 - b. P/V. ratio
 - c. Contribution
 - d. Break even point
- 12 _____ is a statement either prospective or retrospective, setting out the sources and applications of the fund of an enterprise.
 - a. Cash flow statement
 - b. Fund flow statement
 - c. Ratio analysis
 - d. Financial statements