

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

**Date: 06/06/2022**

**Total Marks :60**

**Time: 2.00 am to 4.30 pm**

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

**Q.1 Answer the following questions. (Attempt any two) (32)**

1. Explain in detail Disadvantages of Management Accounting
2. **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)
3. From the following information related to ABC & 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. Estimate the working capital required for the project

Raw Material      80 (p.a.)

Direct Labour     30 (p.a.)

Overheads         60 (p.a.)

Total Cost        170

Level of activity 1,04,000 units :

Raw material in stock 4 weeks

Finished Goods in stock 4 weeks  
 Credit allowed to debtors 8 weeks  
 Credit allowed to supplier 4 weeks  
 Lag in payment of wages 1.5 weeks  
 Cash at book Rs 25000  
 Work in progress 2 Weeks

**Q.2 Answer the following. (Attempt any one)**

**(08)**

1. **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.

2. Cash flow statement explain  
 3. Explain the term Working Capital Management

**Q.3 Write short notes. (Attempt any two)**

**(10)**

1. Margin of safety  
 2. Breakeven point  
 3. Management Planning  
 4. Budgetary control

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

**(10)**

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 | a. Quick assets/current liabilities |
| b. Net profit/sales                   | c. 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. \_\_\_\_\_ 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 |
5. \_\_\_\_\_ 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 |
6. \_\_\_\_\_ 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       |

7. In IRR, for evaluation of more than 1 project, project with \_\_\_\_\_ IRR is chosen.
- a. Higher
  - b. Lower
  - c. Average
  - d. Lowest
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. \_\_\_\_\_ is a written document which carries the information.
- a. Input
  - b. Report
  - c. Ratios
  - d. Production
10. The process of providing information to the management is known as \_\_\_\_\_.
- a. Lower level reporting
  - b. Management reporting
  - c. Written reporting
  - d. Good reporting
11. The objective of \_\_\_\_\_ is to secure optimum working capital
- a. Flexible budget
  - b. Zero based budget
  - c. Cash budget
  - d. Production budget
12. A\_\_\_\_\_ system facilitates delegation of authority.
- a. Budgetary control
  - b. Marginal costing
  - c. Cost of capital
  - d. Breakeven point
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