

R/E (60:40)

R-2016-17 till 2022-23

E-2016-17 till 2019-20

# TILAK MAHARASHTRA VIDYAPEETH, PUNE

## MASTER OF COMMERCE (M.COM.)

### EXAMINATION : DECEMBER 2022

#### FIRST SEMESTER

##### Sub: Management Accounting (MCC-111)

Date: 05 /12/2022

Total Marks :60

Time: 10.00 am to 12.30pm

- 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. Estimate the working capital required for the project

Raw Material 160 (p.a.)

Direct Labour 60 (p.a.)

Overheads 120 (p.a.)

Total Cost 340

Level of activity 2,08,000 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 50000

Work in progress 2 Weeks

- 2.

The following are the Balance sheet of PQR Ltd. for the year 2021 & 2022 prepare a Fund Flow Statement.

Liabilities	2021	2022	Assets	2021	2022
Capital	3,00,000	4,60,000	Fixed Assets	6,30,000	6,90,000
General Reserve	1,50,000	1,80,000	Investment	1,30,000	1,80,000
P & L A/c.	30,000	65,000	Debtors	1,35,000	2,20,000
Term Loan	2,10,000	1,50,000	Stock	1,80,000	2,20,000
Creditors	80,000	1,00,000	Bank Balance	5,000	15,000
Bank O/d	2,50,000	3,00,000	Other advances	25,000	30,000
Other liabilities	85,000	1,00,000			
	<b>11,05,000</b>	<b>13,55,000</b>		<b>11,05,000</b>	<b>13,55,000</b>

- i) Additional capital ` 1,60,000 was brought in the year and is eligible for dividend for the full year.
  - ii) The propose dividend ` 85,000 is included in their liabilities.
  - iii) Depreciation on fixed assets provided to the extent of ` 90,000.
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).

<b>Component</b>	<b>Structure 1</b>	<b>Structure 2</b>	<b>Structure 3</b>
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 one)**

**(08)**

1. Disadvantages of Management Accounting
2. Explain the term Working Capital Management
3. **Compute Margin of safety of Surya Ltd. from the information given below:**

Selling price : Rs.16 per unit  
 Variable cost: Rs. 8 per unit  
 Fixed cost : Rs. 88000  
 Sales (Current) : 48000 units p.a.

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

**(10)**

1. ABC analysis
2. Management of Working Capital
3. Zero based budgeting
4. Raw Material

**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
    - 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. \_\_\_\_\_ 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. Break even point
-