

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 :100

Time:10.00am to1.00 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. From the following information calculate-

- (i) Profit volume ratio
- (ii) Breakeven point
- (iii) Margin of safety

Sales	1,50,000
Variable costs	1,20,000
Fixed costs	14,000

2. The following annual figures relate to ABC Co.

Sales (at two months credit)	36,00,000
Materials consumed (suppliers extend two months credit)	9,00,000
Wages paid (monthly in arrear)	7,20,000
Manufacturing expenses outstanding at the end of the year (cash expenses are paid one month in arrear)	80,000
Total administrative expenses, paid as above	2,40,000
Sales promotion expenses, paid quarterly in advance	1,20,000

The company sells its products on gross profit of 25% counting depreciation as part of the cost of production.

It keeps one month's stock each of raw materials and finished goods and a cash balance of Rs.100000.

Assuming a 20% safety margin work out the working capital requirements of the company on cash cost basis. Ignore work in progress

3. Following are the details of ABC Ltd. You are required to prepare a production budget assuming that

- (a) There is no loss in production.
- (b) Normal loss in production 5% and 10% for products X and Y respectively

	Sales Budget (units)	Product X	Product Y
1.	Division I	2000	1000

	Division II	3000	6000
	Division III	2500	2250
	Total units	7500	9250
2.	Stock as on 1 st January: X – 1500 Y – 2000		
3.	Stock as on 31 st December : estimated to be 10% more is quantity		

4. What do you understand by management accounting? Explain its scope and functions.

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

(30)

1. What do you understand by capital budgeting? Explain its importance.
2. Explain the components of capital structure.
3. From the following cost data relating to Charminar Ltd., Chennai, compute the amount of fixed cost contribution and fixed cost from the information as per marginal cost equation.

Sales	2,40,000
Variable cost	1,20,000
Profit	60,000

4. From the following calculate working capital requirement of XYZ ltd.

Particulars	Cost per unit
Raw Material	80
Labour	30
Overhead	60
Total Cost	170
Profit	30
Selling Price	200

The following further information is available

- a) Raw material in stock one month
- b) Credit allowed supplier 1 month & customer two months
- c) Lag in payment of wages 1 month
- d) Lag in payment of overheads 1 month
- e) Work in process 2 months
- f) Finish goods in stock one month
- g) Opening cash balance Rs.25000

Level of activity 24000 units

5. Explain ABC Analysis (Inventory control)

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

(20)

1. Breakeven point
2. Budgetary control
3. Zero based budgeting
4. Management information system
5. Profitability
6. Current Liabilities

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

(20)

- 1 Comparison of financial statements highlights the trend of the _____ of the business.
 - a. Financial position
 - b. Profitability
 - c. Performance
 - d. All of the above
- 2 Analysis of any financial Statement comprises
 - A. Balance sheet
 - b. Trading account
 - c. P&L Account
 - d. All of the above
- 3 What is net working capital?
 - a. Current assets
 - b. Current liabilities
 - c. Fixed assets
 - d. Current assets minus current liabilities
- 4 Which of the following would not be financed from working capital?
 - a. Cash float
 - b. Credit sales
 - c. Account receivables
 - d. A new personal computer for the office
- 5 Marginal costs is taken as equal to
 - a. Prime Cost plus all variable overheads
 - b. Prime Cost minus all variable overheads
 - c. Variable overheads
 - d. None of the above
- 6 Marginal costing is also known as-
 - a. Direct costing
 - b. Variable costing
 - c. Both a and b
 - d. None of the above
- 7 A risk associated with project and way considered by well diversified stockholder is classified as
 - a. Expected risk
 - b. Industry risk
 - c. Beta risk
 - d. Returning risk
- 8 Process of making long term decision, for capital investment in project called-
 - a. Lead budgeting
 - b. Lean budgeting
 - c. Capital budgeting
 - d. Relevant budgeting
- 9 Budgetary control facilitates easy introduction of the...
 - a. Marginal costing
 - b. Standard costing
 - c. Ratio analysis
 - d. Subjective matter
- 10 Capital budgeting method to analyze information of financials include
 - a. Internal rate of return
 - b. Net present value
 - c. Accrual accounting rate of return
 - d. All of above

- 11** A budget is tool which helps the management in planning and control of...
- a. All business activities
 - b. Production activities
 - c. Purchase activities
 - d. Sales activities
- 12** Budget is prepared for a...
- a. Indefinite period
 - b. Definite period
 - c. Period of one year
 - d. Six months