



RB-5000

**P. G. Diploma in Computer Based Accounting
Examination**

April / May – 2010

Management Accounting with Computers : Paper - IV

Time : 3 Hours]

[Total Marks : 70

Instruction :

नीचे दृशविते निशानीवाणी विगतो उत्तरवडी पर अवश्य लपवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
P. G. Diploma in Computer Based Accounting	<input type="text"/>
Name of the Subject :	<input type="text"/>
Management Accounting with Computers - 4	<input type="text"/>
Subject Code No. : <input type="text"/> 5 <input type="text"/> 0 <input type="text"/> 0 <input type="text"/> 0	Section No. (1, 2,.....): <input type="text"/> Nil
Student's Signature	

1 Define MIS. Discuss its usefulness. 14

OR

1 Discuss the characteristics of management accounting.

2 Record the following transaction in the stores ledger a/c of X Ltd. 14

15.01.2009	Receipt	500 units costing.	Rs.312.50
21.02.2009	Receipt	200 units costing.	Rs.130.00
24.03.2009	Receipt	100 units costing.	Rs.67.50
05.04.2009	Issue	110 units	
19.04.2009	Receipt	100 units costing.	Rs.70.00
25.04.2009	Issue	600 units	
03.05.2009	Issue	80 units	

The issues on 05.04.2009 and 25.04.2009 were priced at LIFO and FIFO basis respectively. As from 01.05.2009 it was decided to price the issue at weighted average price.

OR

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[Contd...

- 2 (a) Following information relating to a type of raw material is available : 7

Annual demand	2400 units
Unit price	Rs.2.40
Ordering cost per order	Rs.4.00
Storage cost	2% per annum
Interest rate	10% per annum
Lead time	Half-month

Calculate Economic Order Quantity and Total Annual Inventory Cost in respect of the particular raw material.

- (b) Find out the Economic Order Quantity and order schedule for raw materials and packing materials with the following data given to you : 7

- (1) Cost of ordering : Raw materials : Rs.1000 per order
- | | | |
|--|-------------------|-------------------|
| | Packing materials | Rs.5000 per order |
|--|-------------------|-------------------|
- (2) Cost of holding inventory :
- | | |
|-------------------|-----------------------|
| Raw materials | 1 p. per unit p.m. |
| Packing materials | 5 paisa p.m. per unit |
- (3) Production rate : 200000 unit p.m.

- 3 The following are the summarized profit and loss a/c and balance sheet of the company. 14

Profit and loss a/c for the year ended December 31, 2008 :

Dr.			Cr.
To opening stock	40,000	By sales	3,00,000
To purchase	2,10,000	By closing stock	70,000
To direct expenses	20,000		
To gross profit C/D	1,00,000		
	3,70,000		3,70,000
To administrative exp.	40,000	By gross profit	1,00,000
To selling exp.	20,000		
To non-operating exp.	10,000		
To net profit	30,000		
	1,00,000		1,00,000

Balance sheet as at December 31, 2008

Share capital	4,00,000	Plant	1,00,000
Profit and loss a/c	1,00,000	Building	1,40,000
Current liability	1,20,000	Motor car	1,60,000
		Furniture	20,000
		Stock	1,00,000
		Debtors	40,000
		Cash	20,000
		Bank	40,000
	6,20,000		6,20,000

Calculate the following ratios :

- (1) Gross profit ratio
- (2) Operating ratio
- (3) Current profit ratio
- (4) Liquid ratio
- (5) Stock turnover ratio
- (6) Fixed assets turnover ratio
- (7) Return on investmnet.
- (8) Fixed asset-proprietors funds ratio.

OR

- 3 (a) From the following data, calculate the Break Even Point expressed in terms of Units and also the new B.E.P if selling price is reduced by 10%. 7

Fixed expenses :	Rs.	Variable expenses	Rs.
Depreciation	100000	Materials	3 per unit
Salaries	100000	Labour	2 per unit
Selling price	10 per unit		

- (b) From the following information relating to quick standards ltd; you are required to find out (a) contribution (b) Break Even Points in units (c) Margin of Safety (d) Profit. 7

Total fixed cost	Rs. 4,500
Total variable cost	Rs. 7,500
Total Sales	Rs. 15,000
Units Sold	5000 units

Aslo calculate the volume of sales to earn profit of Rs. 6,000.

- 4 A factory, working for 50 hours a week, employs 100 workers on a job work. 14

The standard rate is Re. 1 an hour and standard output is 200 units per gang hour.

During a week in June, ten employees were paid at 80 p. an hour and five at Rs. 1.20 an hour. Rest of the employees were paid at the standard rate.

Actual number of units produced was 10,200.

Calculate labour cost variances.

OR

4 Prepare a cash budget of M/s. Sharp Television and Co. 14
on the basis of the following information for the first
six month of 2008 :

- (a) Cost and price unchanged.
(b) Cash sales-25% and Credit Sales 75%
(c) 60% of credit sales are collected in the month after
sales, 30% in the second month and 10% in third.
No bad debts are anticipated.
(d) Sales forecast are as follow :

	Rs.		Rs.
October 2008	12,00,000	March'2009	8,00,000
November 2008	14,00,000	April 2009	12,00,000
December 2008	16,00,000	May 2009	10,00,000
January 2009	6,00,000	June 2009	8,00,000
February 2009	8,00,000	July 2009	12,00,000

- (e) Gross profit margin 20%
(f) Anticipated purchase :

January' 2009	6,40,000
February' 2009	6,40,000
March' 2009	9,60,000
April' 2009	8,00,000
May' 2009	6,40,000
June 2009	9,60,000

- (g) Wages and Salaries to be paid :

January 2009	1,20,000
February 2009	1,60,000
March 2009	2,00,000
April 2008	2,00,000
May 2009	1,60,000
June 2009	1,40,000

- (h) Interest on Rs.10,00,000 @ 12% on debenture is due by the end of March and June.
- (i) Excise deposit due in April Rs.2,00,000
- (j) Capital Expenditure on plant and machinery planned for June Rs.1,20,000
- (k) Company can borrow on monthly basis.
- (l) Rent is Rs.8000 per month.
- (m) Company has a cash balance of Rs.4,00,000 at 31.12.2008.

5 Comparative balance sheet of Sachin Limited, for the year ended 31st March,2008 and 2009 are follows : 14

Liabilities	31.03.2008	31.03.2009
	Rs.	Rs.
Preference Share capital	10,00,000	5,00,000
Equity share capital	10,00,000	12,00,000
Security Premium	3,00,000	2,70,000
Capital redemption reserve	—	3,00,000
General reserve	5,00,000	3,00,000
Profit & Loss account	3,20,000	4,30,000
Secured Loan	8,80,000	9,70,000
Current liabilities	16,00,000	25,00,000
Proposed dividend	4,00,000	5,30,000
	<u>60,00,000</u>	<u>70,00,000</u>
Assets :		
Land and Building	5,00,000	4,75,000
Machinery	7,00,000	10,00,000
Investment	8,00,000	8,50,000
Current Assets	39,50,000	46,50,000
Cash	50,000	25,000
	<u>60,00,000</u>	<u>70,00,000</u>

The following additional information is also available :

- (i) During the year, machinery costing Rs. 94,000/- and written down value of Rs,17,000/- was sold on for Rs,35,000/-
- (ii) Preference share capital was redeemed at premium of 10% partly out of proceeds of issue of 20,000 equity shares of Rs.10 each issued at 10% premium and partly out of profits otherwise available for dividend.
- (iii) Depreciation on machinery for the year is Rs.3,00,000

Prepare fund flow statement and statement of Changes in Working capital.

OR

- 5 A firm at present operates at 60% of its capacity. At this 14 level and at the level of 50% utilization of capacity, the figures relating to its operations could be summarized as stated below.

Particular	50%	60%
	Rs.	Rs.
Material	10,00,000	12,00,000
Labour	8,00,000	9,00,000
Manufacturing Overheads	6,00,000	6,60,000
Administrative overhead	3,50,000	3,50,000
Selling and distributing overhead	4,50,000	5,00,000
Research and Development	1,50,000	2,00,000
Total	<u>33,50,000</u>	<u>38,10,000</u>
Profit	1,50,000	3,90,000
Sales	<u>35,00,000</u>	<u>42,00,000</u>

Draw up the budget at 80% utilization of capacity assuming that :

- (1) Sales at this level can be maintained only by a flat 5% deduction in the selling price.
- (2) Economy in purchase of material will equal to $2\frac{1}{2}$ % of the current amounts.
- (3) The research and development expenditure will be pegged at Rs. 2,50,000 p.a. and
- (4) Administrative overhead will require 10% increase.