



SB-4500

P.G.D.C.A. Examination

March / April – 2011

Management Accounting With
Computer : Paper - IV

Time : 2 Hours]

[Total Marks :

Instruction :

নীচে দ্রষ্টবিলে নিশানীবাণী বিগতো উত্তরবছী পর অবশ্য লખবী.
Fillup strictly the details of signs on your answer book.

Name of the Examination :
P.G.D.C.A.

Name of the Subject :
Mangt. Accounting with Computer : Paper - 4

Subject Code No. : 4 5 0 0 Section No. (1, 2,.....): Nil

Seat No. :

Student's Signature

- 1 (a) If break even point is Rs. 20,00,000, profit 4
Rs. 20,00,000 and fixed cost Rs. 8,00,000 find out P/V
Ratio and margin of safety.
- (b) Current Ratio 2.5, Liquid Ratio 1.75, Stock 4
Rs. 1,50,000. Calculate working capital and current
Assets.
- (c) From the following information find out material 5
turnover rate and material velocity period :

	<i>Material A</i>	<i>Material B</i>
Opening Stock.....	Rs. 12,500Rs. 43,750
Closing Stock	Rs. 7,500Rs. 31,250
Purchases	Rs. 95,000Rs. 62,500

- 2 Following are the summarised balance sheets of Seet Ltd. 14
as on 31.12.09 and 31.12.10 :

<i>Liabilities</i>	<i>2009 Rs.</i>	<i>2010 Rs.</i>	<i>Assets</i>	<i>2009 Rs.</i>	<i>2010 Rs.</i>
Equity share capital	2,00,000	2,50,000	Bank	35,000	16,000
12% Debentures	1,00,000	80,000	Stock	40,000	75,000
10% Preference Shares	50,000	80,000	Bills receivables	20,000	50,000
Public Deposits	20,000	30,000	Debtors	70,000	1,00,000
Loans	50,000	80,000	Machinery	75,000	60,000
Reserves	20,000	25,000	Furniture	10,000	8,000
P&L A/c	50,000	60,000	Land	1,70,000	2,80,000
Prov. for dep. on Machinery	10,000	15,000	Buildings	1,40,000	99,000
Proposed dividend	20,000	25,000	Goodwill	30,000	25,000
Creditors	40,000	50,000			
Bills Payable	30,000	18,000			
	5,90,000	7,13,000		5,90,000	7,13,000

Additional Information :

- (i) Depreciation charged during 2010 was Rs. 4000 on Furniture, Rs. 12,000 on Machinery and Rs. 20,000 on buildings.
- (ii) Redemption of debentures were made at 10% premium
- (iii) Part of machinery was sold for Rs. 15,000 at a loss of Rs. 4,000.
- (iv) During 2010 interim dividend was paid Rs. 10,000 and income tax was paid Rs. 5,000.

Prepare funds flow statement.

OR

- 2 The following is the summarised balance sheets of Jeet Ltd. as on 31st March 2011 : 14

Eq. Share Capital	3,00,000	Fixed Assets	6,00,000
10% Pref. Share Capital	1,50,000	Stock	1,20,000
Reserve and Surplus	1,15,000	Debtors	1,00,000
8% Debentures	2,00,000	Bills receivables	30,000
Bank Over Draft	30,000	Cash and Bank	50,000
Creditors	1,10,000	Prepaid expenses	20,000
Bills payable	20,000	Preliminary exp.	15,000
Outstanding Exp.	10,000		
	9,35,000		9,35,000

- (i) Total Sales (cash sales are 20% of credit sales) Rs. 10,80,000
- (ii) Cost of goods sold Rs. 5,40,000
- (iii) Net profit before interest and taxes Rs. 3,00,000
- (iv) Stock on 1.4.2010 Rs. 1,00,000

Compute :

- (i) Current Ratio
- (ii) Debtors Ratio (360 days)
- (iii) R.O.C.E.
- (iv) Net Profit Ratio

- (v) Capital Gearing Ratio (vi) Debt Equity Ratio
 (vii) Liquid Ratio (viii) Operating Ratio.

- 3 (a) KK Ltd. has annual fixed cost of Rs. 14,00,000. 10
 In 2009 sales amounted to Rs. 60,00,000 as compared with Rs. 45,00,000 in 2008 and profit in 2009 was Rs. 4,20,000 higher than in 2008 :
 (i) At what level of sales does the company break even ?
 (ii) Determine profit or loss on sales volume of Rs. 80,00,000
 (iii) If there is a reduction in selling price in 2010 by 10% and the company desires to earn the same profit as in 2009, what would be revised sales volume ?
- (b) A company earned a profit of Rs. 30,000 during the year 2010. If the marginal cost and selling price of the product are Rs. 8 and Rs. 10 per unit respectively, find out the amount of margin of safety. 4

OR

- 3 (a) In manufacturing company, a material is used as follows : 7
 Maximum Consumption 12000 units per week
 Minimum Consumption 4000 units per week
 Normal Consumption 8000 units per week
 Re-order Quantity 48000 units
 Minimum lead time 4 weeks
 Maximum lead time 6 weeks
Calculate :
 (i) Re order level (ii) Minimum level
 (iii) Maximum level (iv) Danger level
 (v) Average stock level.
- (b) From the following compute Labour variances. 7
- | | <i>Department A</i> | <i>Department B</i> |
|----------------------------|---------------------|---------------------|
| Actual Direct wages | Rs. 1000 | Rs. 900 |
| Standard hours | 4000 | 3000 |
| Standard rate per hr. | 30 paise | 35 paise |
| Actual hours | 4100 | 2900 |

- 4 Desai Ltd. can produce 4000 units of a certain product at 100% capacity. The following information is obtained from books of accounts : 14

<i>Particulars</i>	<i>January 2011</i>	<i>March 2011</i>
Production	2800 units	3600 units
Repairs and maintenance	Rs. 5000	Rs. 5600

Power	18,000	20,000
Shop Labour	7,000	9,000
Consumable stores	14,000	18,000
Salaries	10,000	10,000
Inspection	2,000	2,400
Depreciation	14,000	14,000

The rate of production per hour is 10 units. Direct material cost per unit is Rs. 10 and direct wages per hour is Rs. 40.

You are required to compute the cost of production at 100%, 80% and 60% capacity under the fixable budget.

OR

- 4 Prepare a cash budget of KK Ltd. for the four months commencing April 200 on the basis of following information : 14
- (i) Cash sales and credit sales ratio 1:3
 - (ii) 60% credit sales are collected in the month following the sales, 30% collected in the third month and 10% collected in the Fourth month following sales.
 - (iii) Rs. 10,00,000 6% debentures interest is paid quarterly and payable in June.
 - (iv) Advance tax due in July Rs. 1,00,000
 - (v) Company wants to purchase machinery in the month of June Rs. 60,000.
 - (vi) Rent Rs. 4,000 per month
 - (vii) Monthly position of sales, purchase and salaries.

<i>Month</i>	<i>Sale</i>	<i>Purchase</i>	<i>Salaries</i>
<i>Jan</i>	600000	—	—
<i>Feb</i>	700000	—	—
<i>March</i>	800000	—	—
<i>April</i>	300000	320000	60000
<i>May</i>	400000	320000	80000
<i>June</i>	400000	480000	100000
<i>July</i>	600000	400000	100000

(viii) Cash balance as at March 2010 Rs. 200000.

- 5 Write short notes (any two) 14
- (i) Scope of Management Accounting
 - (ii) Utility of Ratio Analysis
 - (iii) Importance of Receivables management
 - (iv) M/S in decision making.