MAY 2012

P/ID 77504/PMBD/ PMB1D

Time : Three hours Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. State and explain the importance of management accounting.
2. Briefly explain the utilities of financial accounting.
3. What are the steps involved in funds flow statement? Explain.
4. Briefly explain the concept of capital budgeting.
5. Briefly explain the nature of budgetary control.
6. What are the elements of cost? Explain.
7. List down and explain the benefits of cost-volume-profit analysis.
8. What are the qualities of a good report? Explain.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

9. Explain the role of management accounting in detail.
10. Prepare an income statement while use your imaginetory figures.

11. Following are the ratios to the trading activities of 'X'Ltd :

    Debtors velocity - 3 months

    Stock velocity - 8 months

    Creditors velocity - 2 months

    Gross profit ratio - 25%

    Gross profit for the year ended 31st Dec, 2004 amounts to Rs. 4,00,000. Closing stock of the year is Rs. 10,000 above the opening stock. Bills receivable amount to Rs. 25,000 and bills payable to Rs. 10,000. Find out :

    (a) Sales

    (b) Sundry debtors

    (c) Closing stock and

    (d) Sundry creditors.

12. Explain the merits and demerits of accounting rate of return method.

13. ABC Ltd., have prepared the budget for the production of 1 lakh units of the only commodity manufactured by them for a costing period as under :

	Rs. (lakh)
(a) Raw material	2.52
(b) Direct labour	0.75

		Rs. (lakh)
(c)	Direct expenses	0.10
(d)	Works over head (60% fixed)	2.25
(e)	Administrative overheads (80% fixed)	0.40
(f)	Selling overhead (50% fixed)	0.20

The actual production during the period was only 60,000 units. Calculate the revised budgeted cost per unit

14. Explain the various elements of cost. Give examples.

15. An analysis of XY manufacturing Co. Ltd., led to the following information :

Cost Elements	Variable Cost (% of sales)	Fixed Cost Rs.
Direct material	32.8	-
Direct labour	28.4	-
Factory overheads	12.6	1,89,900
Distribution overheads	4.1	58,400
Administrative overheads	1.1	66,700

Budgeted sales are Rs. 18,50,000. You are required to determine.

(a) The break-even sales volume.

(b) The profit at the budgeted sales volume.

(c) The profit if actual sales.

(i) drop by 10%

(ii) increase by 5% from budgeted sales.

16. Explain the uses of accounting information in managerial decision-making.

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. From the following information of product No. 666 calculate.

(a) Material cost variance

(b) Material price variance

(c) Material usage variance

(d) Material mix variance

(e) Material sub-usage variance.

Material	Std quantity kg	Sp Rs.	Actual quantity	Ap Rs.
X	20	5	24	4.00
Y	16	4	14	4.50
Z	12	3	10	3.25
	48		48	

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