

MAY 2015

**P/ID 77603/PBE1C/
PBEXC**

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Explain the concept of management accounting.
2. Differentiate between financial accounting and cost accounting.
3. What are the various accounting convention?
4. “Pay-back method is a test of liquidity and not profitability”. Explain.
5. From the following figures calculate the Creditors, Turnover ratio and the average payment period of accounts payable

Credit purchases in 2000 Rs. 10,00,000

Creditors on 1.1.2000 Rs. 2,00,000

Creditors on 31.12.2000 Rs. 1,00,000

Bills payable on 1.1.2000 Rs. 40,000

Bills payable on 31.12.2000 Rs. 60,000.

6. The following data are obtained from the records of a company :

	First Year	Second year
	Rs.	Rs.
Sales	80,000	90,000
Profit	10,000	14,000

Calculate the break-even point.

7. How is marginal costing useful in the decision-making of a firm?
8. Explain the basic requisites of a good report.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. “Accounting provides information to various users”. Discuss accounting as an information system.
10. Explain the applications of marginal costing technique in decision making.
11. Ram Ltd. produces two commodities. Good and Better. Each unit takes 5 hours and 10 hours as production time respectively. 1,000 units of good and 600 units of Better were produced during March. Actual man-hours spent in this production were 10,000. Yearly budget hours are 96,000. Compute the various control ratios.

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12. In 2005, the position of Y Ltd. was as follows :

	Rs.
Sales	1,20,000
Variable overheads	<u>96,000</u>
Gross profit	24,000
Fixed overhead	<u>16,000</u>
Net profit	<u>8,000</u>

Find out :

- (a) P/V ratio
(b) B.E.P.
(c) Net profit from the sales of Rs. 1,30,000.
13. You are given the following information relating to the manufacture of a product :
- Standard mix of materials
Material A 60 kgs at Rs. 20 per kg.
Material B 40 kgs at Rs. 10 per kg.
Total quantity of materials 105 kgs.
Material mix variances Rs. 100 (A)
Ascertain the actual quantities of materials A and B uses in production.
14. Distinguish between standard costing and budgetary control.

15. Write a brief note on :
- (a) Material price variance
 - (b) Material mix variance.
16. “Accounting reports are a matter of necessity for the management and not a matter of convenience”. Explain.

PART C — (1 × 20 = 20 marks)

Compulsory.

17. From the following balance sheets of the company for the year ended 31st December 2008 and 2009. Prepare schedule of changes in working capital and statement showing sources and application of fund :

	31.12.08 Rs.	31.12.09 Rs.		31.12.08 Rs.	31.12.09 Rs.
Share capital	3,00,000	4,00,000	Plant and machinery	50,000	60,000
Sundry Creditors	1,00,000	70,000	Furniture and Fixtures	10,000	15,000
Profit & Loss A/c	15,000	30,000	Stocks	85,000	1,05,000
			Debtors	1,60,000	1,50,000
			Cash	1,10,000	1,70,000
	<u>4,15,000</u>	<u>5,00,000</u>		<u>4,15,000</u>	<u>5,00,000</u>