

Master of Business Administration (CBCS And Old Pattern) Second Semester Old+CBCS
C23 / PCB2C03 - Cost And Management Accounting Paper - III

P. Pages : 3

Time : Three Hours



GUG/W/18/10684

Max. Marks : 70

- Notes : 1. Attempt **any five** question.
2. All questions carry equal marks.

1. What is cost Accounting? Discuss about the elements of cost. **14**
2. Explain the purpose of reconciliation the profit of cost account and financial account. **14**
3. "Ratio are indicated- Sometimes pointer but not in themselves powerful tool of management." In the light of this statement draw out the limitations of ratios. **14**
4. Explain the objectives and limitations of fund flow statement. **14**
5. Define budget and budgetary control. State the advantages of budgetary control in an organization. **14**
6. A firm manufactural and Sold 1000 Typewriters in the year 2002 at Summarized trading and Profit and Loss Account for the year 2002 is set cut below. **14**

Particulars	Amount	Particulars	Amount
To, cost of materials	80,000	By, Sales	4,00,000
To, Direct Wages	1,20,000		
To, Manufacturing charges	50,000		
To, Gross Profit	1,50,000		
	4,00,000		4,00,000
To, Management & Staff Salaries	60,000	By, Gross Profit	1,50,000
To, Rent Rates & Insurance	10,000		
To, General exp.	20,000		
To, Selling exp.	30,000		
To, Net Profit	3,000		
	1,50,000		1,50,000

For the year 2003 it is estimated that.

- i) Output and Sales will be 1200 Typewriters
 - ii) Price of material will rise by 20% on the previous year level.
 - iii) Wage rate will rise by 5%
 - iv) Manufacturing charges will increase in proportion to the combined cost of material & Wages.
 - v) Selling cost per unit will remain unchanged.
 - vi) Other expenses will remains unaffected by the rise in the output.
- Prepare a statement showing the price of which the Typewriter to be manufactured in 2003 should be marketed so as to show profit of 10% on Selling price.

7. Following information are obtained from cost records of a Rahul electronic co. ltd. Prepare cost Sheet, financial account and Reconciliation Statement Two types of Transistors were manufactured. 14

Particulars	Type A	Type B
Unit Produced	100	200
Material per unit	22	20
Wages per unit	45	50
Sales per unit	125	150

Works on cost 60% of wages office on cost 25% of works cost Actual works on cost Rs. 9000, Actual office on cost Rs. 4500.

8. The contract ledger of a company showed the following expenditure on account of contract No. 340 at 31st Dec. 2003. 14

Material	Rs. 94,000
Plant	Rs. 12,000
Wages	Rs. 1,03,000
Establishment charges	Rs. 6,000
Wages accrued	Rs. 700

The contract commenced on 1st Jan. 2003 and the contract price was Rs. 4,00,000 cash received on account to date was Rs. 1,72,000 representing 80% of the work certified, the remaining 20% being retained unit completion. The value of materials in hand was 4500 and the work finished out but not certified was Rs. 4000.

Prepare an account in respect of the contract assuming depreciation an plant at 10% and state the proportion of profit to be taken to the credit of profit and loss account and loss account and also show the particulars relating to the contract would appear in the Balance-Sheet of the company as at 31st Dec. 2003.

9. Balance Sheet of Prakash & Co. ltd. are as under. 14

Liabilities	2001 Rs.	2002 Rs.	Assets	2001 Rs.	2002 Rs.
Share capital	4,50,000	4,50,000	Fixed Assets	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
Profit & Loss A/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provision for tax	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage loan	-	2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Adjustment :-

- Investments costing of Rs. 8000 and sold during the year 2002 for Rs. 8500.
- Provision for tax made during the current year Rs. 9000.
- A part of fixed assets costing of Rs. 10000 sold for Rs. 12000 and the Profit included in the profit and loss account.
- Dividend paid in current year Rs. 40000.

Prepare statement of working capital and fund flow statement for the year ending 31st Dec. 2002

10. By the help of following information prepare cash budget for the end of April, May & June. 14

Months	Sales (Rs.)	Purchase (Rs.)	Wages (Rs.)	Miscellaneous expenses (Rs.)
February	1,20,000	84,000	10,000	7,000
March	1,30,000	1,00,000	12,000	8,000
April	80,000	1,04,000	8,000	6,000
May	1,16,000	1,06,000	10,000	12,000
June	83,000	80,000	8,000	6,000

Adjustments :-

- i) Sales :- 20% Sales are in cash, discount allowed on cash a sale 5% balance realized equally in 2 subsequent months.
- ii) Purchase :- are paid in the month following the month of Supplier.
- iii) Wages :- 25% paid in arrears following month.
- iv) Miscellaneous expenses paid a month in arrears.
- v) Rent Rs. 1000 per month paid quarterly in advance due in April.
- vi) Income tax 1st instalment of advance tax Rs. 25000 due on or before 15th June.
- vii) Income from Investments Rs. 5000 received quarterly in April in July extra.
- viii) Cash in hand Rs. 5000 on 1st April.
