(7 pages)

APRIL 2021 **51308/SBZ4A**

Time : Three hours Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. What is meant by cost accounting?

2. List out the any four objectives of management accounting.

3. What is meant by reorder level?

4. What are the two principal system of wage payment?

5. Give the meaning of absorption.

6. Bring out any three importance of machine hare rate.

7. What do you understand by working capital?

8. What are the limitations of cash flow statement?

9. Write a short note on cash budget.

10. Define ZBB.

11. What is key factor?

12. List out any three advantage of ZBB.

PART B — (5 × 5 = 25 marks)

Answer any FIVE questions.

13. State the advantages of management accounting.

14. Distinguish between cost and management accounting.

15. What are the features of ABC analysis?

16. Bring out the uses of ratio analysis.

17. Enumerate the objectives of budgetary control.

18. From the following details, calculate funds from operations:

Particulars	Rs.	Particulars	Rs.
Salaries	5,000	Discount on issue of debentures	2,000
Rent	3,000	Provision for bad debts	1,000
Refund of tax	3,000	Transfer to general reserve	1,000
Profit on sale of building	5,000	Preliminary expenses written off	3,000

Particulars	Rs.	Particulars	Rs.
Depreciation on plant	5,000	Goodwill written off	2,000
Provision for tax	4,000	Proposed dividend	6,000
Loss on sale of plant	2,000	Dividend received	5,000
Closing balance of Profit and loss a/c	60,000		
Opening balance of profit and loss a/c	25,000		

19. From the following data calculate

(a) Numbers of units to be sold to earn a profit or Rs. 1,20,000.

(b) Sales to earn a profit of Rs. 1,20,000.

Selling price per unit Rs. 40

Variable selling cost per unit Rs. 3

Variable manufacturing cost per unit Rs. 22

Fixed factory overhead Rs. 1,60,000

Fixed selling cost Rs. 20,000.

PART C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. The modern Manufacturing Company submits the following information on 31st March, 2007:

	Rs.	Rs.
Sales for the year		2,75,000
Inventories at the beginning of the year:		
Finished goods	7,000	
Work-in-progress	4,000	
Purchase of materials for the year		1,10,000
Materials Inventory:		
at the beginning of the year	3,000	
at the end of the year	4,000	
Direct labour		65,000
Factory overhead @ 60% of the direct labour cost		
Inventories at the end of the year:		
Work-in-progress	6,000	
Finished goods	8,000	
Other expenses for the year:		
Selling expenses 10% of sales		
Administrative expenses 5% of sales		

Prepare a statement of cost and profit.

21. Calculate the earnings of a worker from the following information:

(a) Time Rate Method. (b) Piece Rate Method, (c) Halsey Plan, and (d) Rowan Plan. information given:

Standard Time 30 hours

Time taken 20 hours

Hourly rate of wages is Re. 1 per hour plus a dearness allowance @ 50 paise per hour worked.

22. A company's production for the year ending 30.06.1998 is given below.

Items	Production Department			Office	Stores	Workshop	Total
	P1	P2	P3				
Direct wages Rs.	20,000	25,000	30,000	—	—	—	75,000
Direct Material Rs.	30,000	35,000	45,000	—	—	—	1,10,000
Indirect materials Rs.	2,000	3,000	3,000	1,000	2,000	2,000	13,000
Indirect materials Rs.	3,000	3,000	4,000	10,000	10,000	5,000	35,000
Area in Square meter	200	250	300	150	100	250	1,250
Book value of machinery Rs.	30,000	35,000	25,000	—	—	15,000	1,05,000
Total H.P. of machinery	15	20	25	—	—	5	65
Machine hours worked	10,000	20,000	15,000	—	—	5,000	50,000

General Expenses : Rent Rs. 12.500: Insurance Rs. 1,050; Depreciation 15% of value of machinery power : Rs. 3,800 Light Rs. 1,250.

You are required to prepare on overhead analysis sheet for the department showing clearly basis of apportionment where necessary.

23. From the following information prepare a balance sheet with as many details as possible :

Gross profit	Rs.80,000	Current ratio	Rs.1,50,000
Gross profit to Cost of goods sold ratio	1/3	Account payable velocity	90 days
Stock velocity	6 times	Bills receivable	Rs.20,000
Opening stock	Rs.36,000	Bills payable	Rs.5,000
Accounts receivable Velocity (year 360 days)	72 days	Fixed assets turnover ratio	8 times

24. Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90% plant capacity.

	At 70% Capacity Rs.	At 80% Capacity Rs.	At 90% Capacity Rs.
Variable Overheads:			
Indirect labour	—	12,000	—
Stores including spares	—	4,000	—
Semi-Variable Overheads:			
Power (30% fixed, 70% variable)	—	20,000	—
Repairs and maintenance (60% fixed, 40% variable)	—	2,000	—
Fixed Overheads:	—		
Depreciation	—	11,000	—
Insurance	—	3,000	—
Salaries	—	10,000	—
Total Overheads		62,000	

Estimated direct labour hours: 1,24,000 hrs.