



MBA.F.II/11.225

MBA DEGREE (F.T) II SEMESTER EXAMINATION APRIL 2011

SMS 2208 MANAGEMENT ACCOUNTING

Time : 3 Hours

Maximum Marks : 50

(Each question carries **TEN** marks)

- I. A. Define Management Accounting. Explain the important tools and techniques used in Management Accounting.

OR

- B. The following extract of cost information relates to a commodity for the half year ended 30th June 2010:

Stock on 1st January 2010:

Raw materials	- Rs 22,000
Finished Goods(1600 tons)	-Rs.17,600
Work in Progress	- Rs 5,280

Stock on 30th June 2010:

Raw materials	-Rs.24,464
Finished Goods(3200 tons)	- Rs 35,200
Work in Progress	-Rs.17,600
Purchase of Raw materials	-Rs1,32,000
Direct wages	-Rs 1,10,000

Rent, Rates ,Insurance and works on cost -Rs.44,000

Carriage inwards -Rs.1,584

Cost of Factory Supervision -Rs.8,800

Sale of Finished Goods -Rs.3,30,000

Advertisement and Selling Expenses -@ 75 paise/ton sold

Volume of production during the period -25600 tons

You are required to prepare the cost sheet showing (i) prime cost (ii) cost of production (iii) cost of sales (iv) net profit .

- II. A. Write notes on the following :

- (i) Goods received Note (ii) Stores Ledger
(iii) Time Booking (iv) Apportionment of overheads

OR

- B. Enter the following receipts and issue of materials in the stores ledger maintained by Jaya Stores. Materials are priced under FIFO method and the firm keeps a base stock of 100 units. Stock of materials as on 1st April 2010 was 700 units valued @Rs.15/unit.

The details of receipts and issues of materials during the month were as given below:

Receipts :

2010 April 8	- 1200 units @Rs.16/- per unit
April 15	-800 units @Rs.15.50 per unit
April 22	- 1500 units @Rs.17/- per unit

Issue :

2010 April 3	- 300 units
April 10	-550 units
April 17	- 900 units
April 25	- 200 units

(PTO)

III. A. What are the advantages of differential piece rate system of wage payment? Explain with example, Taylor's differential piece rate system.

OR

B. A company has three production departments-A,B and C and two service departments -X and Y. The expenses incurred by them during the month of May 2009 were:-

A -Rs.8000/- B-Rs.7000/- C-Rs.5000/-
X- Rs.2340/- Y- Rs.3000/-

The expenses of service departments are apportioned to the production departments on the following basis:

	A	B	C	X	Y
Expenses of X -	20%	40%	30%	----	10%
Expenses of Y -	40%	20%	20%	20%	----

You are required to show clearly how the expenses of departments X and Y are apportioned to departments A,B and C

IV. A. Write short notes on the following :

- (i) Contract Costing
- (ii) Escalation clause
- (iii) Work Uncertified
- (iv) Process costing

OR

B. A product passes through three different processes. The output of each process is treated as the raw material for the next process. No work in process was left at the end of the last process.

From the following data ,You are required to prepare the process accounts and calculate the cost of finished goods explaining under each process account, how you have arrived at the cost and wastage connected thereon.

	Processes		
	A	B	C
	Rs.	Rs.	Rs.
Materials issued	50,000	25,000	12,000
Labour	7,500	5,000	1,250
Overheads	12,500	12,500	18,750

The units received in the first process was 15,000 and the output of each process was as follows:

	Process A	Process B	Process C
Output (Units)	14,000	13,200	11,600
Normal Wastage	4%	5%	10%
Actual Wastage (units)	1000	800	1500

V. A. Define budgetary control. Explain the features of an effective budgetary control system.

OR

B. The operating results of a company for the last two years are as below:

	Sales	Profits
	Rs.	Rs.
2009	2,70,000	6,000
2010	3,00,000	15,000

You are required to calculate:

- (i) P/V Ratio
- (ii) Fixed Expenses
- (iii) BEP
- (iv) Variable cost during the two periods
- (v) Sales required to earn profit of Rs.45,000.