

## MBA DEGREE (P.T) II SEMESTER EXAMINATION, APRIL 2010

## SMP 2205 MANAGEMENT ACCOUNTING

Time : 3 Hours

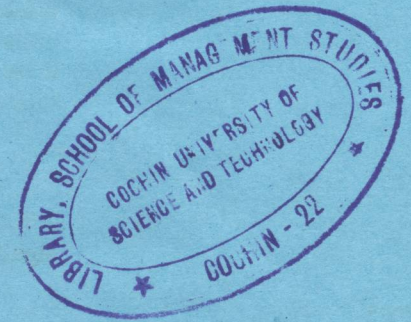
Max. Marks: 50

(All questions carry EQUAL marks)

(5 x 10 = 50)

- I. A. "Management Accounting is the adoption and analysis of accounting information and its diagnosis and explanation in such a way to assist management". Elucidate.
- OR**
- B. From the following particulars, prepare a statement showing the components of the total sales and profit for the year ending 31.3.2006.

Stock of finished goods (1.4.05)	Rs.6000
Stock of raw materials (1.4.05)	Rs.40,000
Work in progress (1.4.05)	Rs.15,000
Purchase of raw materials	Rs.4,75,000
Carriage Inwards	Rs.12,500
Factory rent and taxes	Rs.43,000
Other production expenses	Rs.15,000
Stock of finished goods (31.3.06)	Rs.1,75,000
Wages	Rs.30,000
Works Managers salary	Rs.60,000
Factory workers salary	Rs.30,000
Power expenses	Rs.9,500
General expenses	Rs.32,500
Sales for the year	Rs.8,60,000
Stock of raw materials (31.3.06)	Rs.50,000
Work in progress (31.3.06)	Rs.10,000



- II. A. About 50 items are required every day for a machine. A fixed cost of Rs.50 per order is incurred for placing an order. The inventory carrying cost per item amounts Re.0.02 per day. The lead period is 32 days. Compute :
- Economic ordering quantity
  - Re-order level
- OR**
- B. Write short notes on :
- Labour Turnover
  - Overhead absorption
  - Inventory control techniques
  - Merit-rating

- III. A. A product passes through three processes – A, B and C. 10,000 units at a cost of Rs.1.10 per unit were issued to process A. The other direct expenses were as follows :

	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Sundry materials	1500	1500	1500
Direct labour	4500	8000	6500
Direct expenses	1000	1000	1503

The scrap of process A was 5% and in process B 4% of input. The scrap of process A was sold at Re.0.25 per unit and that of B at Re.0.50 per unit and that process C at Re.1 per unit.

(Turn Over)