

PART B
(Answer ANY FIVE Questions. Each question carries 4 marks)

Q. No.	Questions	Marks	BL	CO									
6	Costs may be classified according to their nature and a number of other characteristics. Discuss the statement while classifying costs.	4	2	2									
7	Differentiate between fund flow and cash flow statements. Depict the adjustments, which are needed to compute cash from operations from funds from operations.	4	3	3									
8	Write short notes on: a. Explicit budgeting b. ZBB c. Budget Centre d. Sliding scale budgeting	4	1	2									
9	The following data are obtained from the records of a company: <table style="margin-left: auto; margin-right: auto; border: none;"> <tr> <td></td> <td style="text-align: center;">Year 1</td> <td style="text-align: center;">Year 2</td> </tr> <tr> <td>Sales (Rs.)</td> <td style="text-align: center;">160,000</td> <td style="text-align: center;">200,000</td> </tr> <tr> <td>Profit (Rs.)</td> <td style="text-align: center;">-10,000</td> <td style="text-align: center;">10,000</td> </tr> </table> Calculate Break Even Point. Also estimate profit at the sales level of Rs. 250,000.		Year 1	Year 2	Sales (Rs.)	160,000	200,000	Profit (Rs.)	-10,000	10,000	4	4	4
	Year 1	Year 2											
Sales (Rs.)	160,000	200,000											
Profit (Rs.)	-10,000	10,000											
10	The following figures relate to the production of 100,000 units for the month of April 2021 was extracted from the record of a factory. Opening stock of finished goods (10000 units) Rs. 90,000 Purchase of raw material Rs. 514,200 Direct wages Rs. 210,000 Factory overhead 100% of wages Administration overhead Re. 1 per unit Selling & distribution overhead 10% of sales Closing stock 20000 units Sales (90,000 units) Rs. 13,20,000 Prepare a cost sheet for the month April 2021 assuming that sales are made on the basis of FIFO principle.	4	3	3									

11	<p>Alloy metals Ltd. Provides the following information from its records. For making 10 kg of Alloy, the standard material requirement is:</p> <table border="1" data-bbox="385 569 911 789"> <thead> <tr> <th>Material</th> <th>Quantity (Kg)</th> <th>Rate per Kg</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>8</td> <td>6</td> </tr> <tr> <td>B</td> <td>4</td> <td>4</td> </tr> <tr> <td></td> <td>12</td> <td></td> </tr> </tbody> </table> <p>During April 2020, 1000 Kg of Alloy were produced. The actual consumption of material was as under:</p> <table border="1" data-bbox="315 869 967 1062"> <thead> <tr> <th>Material</th> <th>Quantity (Kg)</th> <th>Rate per Kg</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>760</td> <td>7</td> </tr> <tr> <td>B</td> <td>500</td> <td>5</td> </tr> <tr> <td></td> <td>1260</td> <td></td> </tr> </tbody> </table> <p>Calculate: a) Material price variance b) Material usage variance and c) Material cost variance</p>	Material	Quantity (Kg)	Rate per Kg	A	8	6	B	4	4		12		Material	Quantity (Kg)	Rate per Kg	A	760	7	B	500	5		1260		4	4	4
Material	Quantity (Kg)	Rate per Kg																										
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12	<p>The ratio of variable cost to sales is 70%. The breakeven point occurs at 60% of the capacity sales. Find the capacity sales when fixed costs are ₹ 90000. Also compute profit at 75% of the capacity sales.</p>	4	4	5																								

(4x5=20 marks)

PART C

(Answer ANY TWO questions. Each question carries 10 marks)

Q No.	Questions	Marks	BL	CO
13	Critically examine the uses of financial accounting system for business firms. In what way management accounting information system is different from financial accounting system.	10	4	4

14

A company is expecting to have Rs. 250,000 cash in hand on 1st April 2021 and it requires you to create an estimate of cash position in respect of three months from April to June 2021, from the information given below :

	Sales	Purchase	Wages	Expenses
February	700,000	400,000	80,000	60,000
March	800,000	500,000	80,000	60,000
April	920,000	520,000	90,000	70,000
May	1000,000	600,000	100,000	80,000
June	1200,000	550,000	120,000	90,000

Additional Information :

- (a) Period of credit allowed by suppliers - two months.
 (b) 25 % of sale is for cash and the period of credit allowed to customer for credit sale one month.
 (c) Delay in payment of wages and expenses one month.
 (d) Income Tax Rs. 250,000 is to be paid in June 2020.

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15

X Ltd manufacturing two products furnishes the following data for a year.

Product	Annual output (units)	Total Machine hours	Total number of purchase orders	Total number of set ups
A	5000	20000	160	20
B	60000	120000	384	44

The annual overheads are as follows:

Volume related activity costs Rs. 550,000
 Set up related costs Rs. 820,000
 Purchase related costs Rs. 618,000

Compute the overhead charge per unit of each Product A and B, based on:

- (a) Traditional method of charging overheads
 (b) Activity based costing method

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5

5

(2x10=20 marks)

L1 - 12%, L2- 12%, L3 - 24%, L4- 48%, L5- 40%, L6- 0%