

* All questions are compulsory subject to internal choice.

- Q.1. a. What is Management Accounting? Explain the functions of Management Accountant. (8)
b. Explain different types of cost. (7)

(OR)

- Q.1. Explain Break - Even Analysis with the help of a diagram. Also indicate : Fixed Cost Line, Profit Region, Loss Region and Sales Line. (15)

- Q.2. Distinguish between :
a. Direct cost and Indirect cost. (15)
b. Standard costing and Budgetary control.

(OR)

- Q.2. (A) Classify the following : into Direct Cost and Indirect Cost. (15)

1. Cost of cotton in textile industry.
2. Custom duty on purchases.
3. Bank charges.
4. Cost of speakers in a radio set.
5. Factory staff salary.
6. Telephone charges.
7. Carriage outward.
8. Secondary Packaging Material.

- (B) Into Fixed Cost and Variable Cost.

1. Cost of raw material.
2. Manager's salary.
3. Office Insurance charges.
4. Office rent.
5. Cost of milk used in Ice-cream.
6. Supervisor's salary.
7. Direct expenses.

- Q.3. From the following particulars you are required to calculate. (15)

1. P/V ratio.
2. Break- Even point for sales for the year 2009.
3. Margin of safety for the year 2009.
4. Sales required to earn a profit of Rs. 3,20,000.
5. Profit when sales are Rs. 1,60,000.

Year	Sales	Profits	Units.
2008	1,92,000	14,400	19,200
2009	2,24,000	20,800	22,400

(OR)

- Q.3. Prepare a cash budget for 3 months ending 30th June 2008 from the following information given below :

a. Month	Sales	Materials	Wages	Overheads.
February	17,500	12,000	3,750	2,125
March	18,750	11,250	3,750	2,375
April	20,000	11,500	4,000	2,500
May	21,250	12,500	4,500	2,750
June	22,500	13,000	5,000	2,875

...2/-

- Q.3. b. 10% sales are on cash basis . 50% of the credit sales are collected in next month and balance in the following month.
- c. Creditor for materials are paid in next month.
- d. Wages are paid in the same month.
- e. Overheads are in arrears for 1/2 month.
- f. Cash and bank balance on 1st April 2008 is expected to be Rs. 7,500/-.
- g. Other relevant information :
- Interest on investment will be received Rs.5,000/- in the month of May.
 - Advances to be received for the sale of machinery Rs.11,250/- in
 - Income tax (advance) to be paid in June Rs. 2,500/-.

Q.4. From the following details , calculate -

- Labour cost variance.
- Labour time variance.
- Rate of pay variance.

Standard Data				Actual Data			
Type	Hours	Rate	Total	Type	Hours	Rate	Total
Skilled	1200	3	3600	Skilled	992	4	3968
Unskilled	480	2	960	Unskilled	372	1.5	558
Semi-skilled	720	1	720	Semi-skilled	1116	1	1116
			5280				5642

(OR)

Q.4. The accounts of Aashu Ltd., for the year ended 31st December 2010, shows the following :

Particulars	Amount
Administrative office salaries	18,900
Work salaries.	9,750
Carriage outward.	6,450
Repairs to plant and machinery	6,675
Carriage inward	10,725
Factory rent	12,750
Office rent	3,000
Sales	6,91,500
Opening stock of raw materials	72,000
Closing stock of raw materials	94,200
Materials purchased	2,77,500
Travelling expenses.	3,150
Productive wages	1,89,000
Depreciation on Plant & Machinery	9,750
Depreciation on office furniture	450
Directors fees	9,000
General expenses.	5,100
Gas and water (factory)	1,800
Gas and water (office)	600

You are required to prepare a Cost Statement for the year ended 31st December 2010.

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