



Note: 1) All questions are compulsory, subject to internal choice.
2) Each question carries 15 marks.

Q1 a) Explain the term management Accounting and what are its Functions?

(8)

b) Explain the need for interpretation of financial statements?

(7)

OR

Q1 a) what are the benefits of Ratio analysis?

(8)

b) Classify the following items on the basis of cost on the basis of traceability to product
(i.e. Direct or Indirect cost)

(7)

- i) General Expenses.
- ii) Direct Wages.
- iii) Unproductive Wages.
- iv) Special Dyes.
- v) Selling & Distribution Overheads.
- vi) Carriage on Material
- vii) Printing and stationery.

Q2 The Sales and Profits during the two years were as follows

(15)

Year	Sales	Profit
	Rs.	Rs.
2011	4,00,000	40,000
2012	6,00,000	80,000

Calculate

- i) Profit Volume (P/V) Ratio.

(PTO)

- 2-
- II) Fixed Cost.
 - III) Break Even Point.
 - IV) Sales when Profit is of Rs. 12,000
 - V) Profit when sales are rs. 7,50,000

OR

Q2 Two competing companies Rani Ltd. and Riya Ltd. produce and sell same type of product in the same market for the year ended March, 2013. Their forecasted profit and loss accounts are as follows:- (15)

Particulars	Rani Ltd.		Riya Ltd.	
	Rs.	Rs.	Rs.	Rs.
Sales		2,50,000		2,50,000
Less:				
Variable cost	2,00,000		1,50,000	
Fixed cost	25,000	2,25,000	75,000	2,25,000
Forecasted net profit before tax		25,000		25,000

You are required to compute:-

- I. P/V Ratio.
- II. Break-Even Sales Volume.
- III. Margin of Safety.

You are also required to state which company is likely to earn greater profit in condition of:

- A. Low demand, and
- B. High demand.

Q3. The accounts of P Ltd for the year ended 31st December, 2010 shows the following: (15)

(P10)

Particulars	Rs.	Particulars	Rs.
Works office salaries	6,500	Material purchased	1,85,000
Administrative office salaries	12,600	Travelling expenses	2,100
Cash discount allowed	3,000	Traveller's salary & commission	7,700
Carriage inward	7,150	Productive wages	1,26,000
Carriage outward	4,300	depreciation on plant	6,500
Repairs to plant	4,450	Depreciation on office furniture	300
Rent, rates, insurance etc.:-		Director's fees	6,000
Factory	8,500	Gas and water (factory)	1,200
Office	2,000	Gas and water (office)	400
Sales	4,61,000	General expenses	3,400
Stock of Raw Material:-		Bad debts written off	6,500
1 st Jan 2010	48,000	Manager's salary	10,000
31 st December 2010	62,800	(1/4 office & 3/4 factory)	

You are required to prepare a cost statement for the year ended 31st December, 2010.

OR

Q.3. From the following data, prepare a cost sheet for the year 2009.

(15)

Particulars	Rs.	Particulars	Rs.
Opening Inventory		Closing Inventories	
Raw material	3,00,000	Raw material	2,40,000
Finished goods	4,08,000	Finished goods	?

P.T.O.

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W.I.P.	1,60,000	W.I.P.	1,90,000
Material purchased	10,00,000	Indirect wages	50,000
Factory rent	10,000	Productive wages	7,70,000
Depreciation on plant	50,000	Production overheads	50,000
Administration overheads	2,00,000		

The firm had the stock of 12,000 units in opening inventory. It sold 64,000 units @ Rs. 57 per unit. It has 8,000 units in its closing inventory. The cost of sales amounted to Rs. 28,02,000/-

Q.4. Write short notes on:- (Any 3)

(15)

1. Cost audit.
2. Notes to accounts.
3. Management Information System (MIS).
4. Controller.
5. Report.
6. Importance of Director's Report.

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