

Exam. Code : 304302
Subject Code : 5198

P.G. Dip. in Business Management Semester—II

MANAGEMENT AND COST ACCOUNTING

Paper—PGDBM-202

Time Allowed—3 Hours]

[Maximum Marks—50

SECTION—A

Note :— Attempt any **FIVE** questions out of the following **EIGHT** questions. Each question carries **2** marks.

1. Define :

- (i) Elements of cost
- (ii) Process costing
- (iii) Contract price
- (iv) P/V ratio
- (v) Sales budget
- (vi) Usefulness of reporting at different levels
- (vii) Debtors turnover ratio
- (viii) Treatment of interest and dividend in CFS.

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SECTION—B

Note :— Attempt any **TWO** questions out of the following **FOUR** given questions. Each question carries **10** marks.

- 2. Define budgetary control. Give its advantages and limitations.
- 3. What is Cost Volume Profit Analysis ? How are break even charts prepared ? Give their pros and cons.
- 4. The finished product of a factory has to pass through three processes (A, B and C). The normal wastage of each process is 20% in A, 5% in B and 10% in C. The percentage of waste is computed on the number of units entering each process. The scrap value of the wastage of process A, B and C is Rs. 10, Rs. 40 and Rs. 20 per 100 units respectively. The output of each process is transferred to the next process and the finished product are transferred from process C into stock. The following further information is obtained :

	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Material Consumed	12,000	4,000	4,000
Direct Labor	8,000	6,000	6,000
Manufacturing Expenses	2,000	4,000	2,000

20,000 units were put into process A at a cost of Rs. 16,000. The output of each process has been : A 19,600 units; B 18,400 units; and C 16,700 units. There was no stock of work in progress in any process. Prepare process accounts, normal wastage A/C, abnormal wastage A/C and abnormal effectives A/C.

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5. From the following data, find out :

- (a) P/V ratio
- (b) Break even point
- (c) Margin of safety

Present production and sales	10,000 units
Selling price per unit	Rs. 200
Variable cost per unit	Rs.
Direct materials	50
Direct wages	25
Variable overhead	100% of direct wages
Fixed cost	Rs. 4,00,000

SECTION-C

Note :- Attempt any **TWO** questions out of the following **FOUR** given questions. Each question carries **10** marks.

- 6. What is the scope of Management Accounting? Discuss function of management accounting.
- 7. Define cash flow statement. Give its format as per AS-3.
- 8. The following information is given about SP Ltd. for the year ending December 31, 2012.
 - (a) Stock turnover ratio = 6 times
 - (b) Gross profit ratio = 20% on sales
 - (c) Sales for 2012 = Rs. 3,00,000
 - (d) Closing stock is Rs. 10,000 more than the opening stock

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- (e) Opening creditors = Rs. 20,000
- (f) Closing creditors = Rs. 30,000
- (g) Trade debtors at the end = Rs. 60,000
- (h) Net working capital = Rs. 50,000

Find out :

- (i) Average stock
- (ii) Purchases
- (iii) Creditors turnover ratio
- (iv) Average payment period
- (v) Average collection period
- (vi) Working capital turnover ratio.

9. The following detail are available from a company :

	31-12-06	31-12-07		31-12-06	31-12-07
Share Capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6,000	Debtors	14,900	17,700
Reserve for Doubtful debt.	700	800	Stock	49,200	42,700
Trade creditors	10,360	11,840	Land	20,000	30,000
P&L A/C	10,040	10,560	Goodwill	10,000	5,000
	1,03,100	1,03,200		1,03,100	1,03,200

In addition you are given :

- (i) Dividend paid total Rs. 3,500
 - (ii) Land was purchased for Rs. 10,000
 - (iii) Amount provided for amortizations of goodwill Rs. 5,000
 - (iv) Debenture paid off Rs. 6,000
- Prepare cash flow statement.

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