

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**MASTER OF COMMERCE (M.COM.)**  
**EXAMINATION : MAY - 2016**  
**FIRST SEMESTER**

**Sub: Management Accounting (MCC – 101 / MCC - 111)**

**Date : 26/05/2016**

**Marks: 60**

**Time: 10.00 am to 12.30 pm**

**Instructions:** 1) All questions are compulsory.  
 2) Figures to the right indicate full marks.

**Q.1 Answer the following questions. (Attempt any two) (32)**

- 1 The Management of XYZ Ltd. has called for the working capital statement. A level of activity is 300000 units.

Particulars	Amt (P.U.)
Raw material	20
Direct labour	5
Overheads	15
Total cost	40
Selling Price	50
Profit	10

1. Raw material held in stock for two months.
  2. Work in process held in stock half month.
  3. Finished goods held in stock one month.
  4. Creditors allowed one month credit.
  5. Debtors allowed two months credit.
  6. Minimum cash balance Rs.25,000
- 2 The following figures are extracted from the books of ABC as on 31<sup>st</sup> March, 2015.

Balance sheet as on 31.3.2015

Particulars	Amount
Sales	24,00,000
Less : Operating Exps.	18,00,000
Gross Profit	6,00,000
Less : Non operating Exps.	2,40,000
Net Profit	3,60,000
Current Assets : Debtors	7,60,000
Inventories	8,00,000
Fixed Assets	14,40,000
Total	<b><u>30,00,000</u></b>
Current Liabilities	6,00,000
Long Term debt	4,00,000
Capital	20,00,000
Total	<b><u>30,00,000</u></b>

Calculate

1. G/P Ratio (Gross Profit)
2. Net Profit Ratio
3. Stock turnover Ratio
4. Current Ratio

Liquid Ratio

- 3 The Directors of Sports Material manufacturing Co. gives the following information –
- Sales (1,00,000 units) Rs. 10,00,000  
Variable Cost Rs. 4  
Fixed Cost Rs.5,00,000
- a. Find out P/V Ratio, Break even point and margin of safety.
  - b. Evaluate the effect of 20% increase in sales volume on P/V ratio, break even point and margin of safety.
- 4 From the following information prepare cash budget of Madhuri for 3 month from April to June.

Cash Balance on 1<sup>st</sup> April 2015 : Rs. 36,000

Month	Sales	Purchase	Wages	Overheads
Jan	36,000	18,000	10,000	3,000
Feb	45,000	25,000	12,000	5,000
Mar	40,000	30,000	12,500	7,000
April	48,000	33,000	14,500	7,500
May	54,000	36,000	16,000	8,000
June	60,000	40,000	18,000	9,000

1. 50% sales are on cash  
20% of purchase are on cash
2. Collection or payment period  
Debtors 1 month  
Creditors 3 months  
Wages 1 month  
Overheads half month
3. A plant costing Rs. 20,000 is to be purchased in May – 10% payment is made at the time of delivery and balance in two equal installment June & July.
4. It is anticipated that call money will receive in the month of May Rs. 7,000/-

**Q.2 Answer the following. (Attempt any one)**

**(8)**

- 1 Economic ordering quantity.
- 2 Functions of Management Accounting.

3 Calculate Pay Back period from the following information and comment.

Particulars	Project X	Project Y
Cash Inflow		
1	1,00,000	6,50,000
2	2,50,000	6,00,000
3	3,50,000	6,00,000
4	5,50,000	5,75,000
5	7,50,000	5,25,000
Investment	15,00,000	15,00,000

**Q.3 Write short notes. (Attempt any two)**

**(10)**

- 1 Objectives of Reporting
- 2 Importance of capital Budgeting
- 3 Trend percentage analysis
- 4 Leverage Ratio

**Q.4 Select the Correct Alternatives (Attempt Any Ten)**

**(10)**

1. FSA Stands for \_\_\_\_\_.
  - a. Fast Statement Analysis
  - b. Financial Statement Analysis
  - c. Financial State Analysis
  - d. Financial State Appraisal
2. \_\_\_\_\_ is presentation of information to management to frame policy.
  - a. Cost A/c
  - b. Financial A/c
  - c. Management A/c
  - d. Inflation A/c
3. Gross Working Capital is \_\_\_\_\_.
  - a. Total of Current Assets
  - b. Total of current liabilities
  - c. Total of fixed assets
  - d. Total of fixed Liabilities
4. \_\_\_\_\_ Management is responsible for actual execution of policies.
  - a. Top Level
  - b. Middle level
  - c. Executives
  - d. Lower level
5. \_\_\_\_\_ is a written documents which carries the information.
  - a. Report
  - b. Letter
  - c. Mail
  - d. Message
6. IRR Stands for \_\_\_\_\_.
  - a. Interest Return Rate
  - b. Interest Rate Return
  - c. Internal Return Rate
  - d. Internal Rate of Return

7. \_\_\_\_\_ helps in taking long term investment decision.
- a. Capital Budgeting
  - b. Cash Budgeting
  - c. Purchase Budgeting
  - d. Sales budgeting
- 8 \_\_\_\_\_ is current asset.
- a. Plant
  - b. Land
  - c. Bills Receivable
  - d. Building
- 9 \_\_\_\_\_ is current liability.
- a. Preference share capital
  - b. Equity share capital
  - c. Long term debt
  - d. Creditors
- 10 Statement of changes in working capital is prepared while preparing.
- a. Fund flow statement
  - b. Cash flow statement
  - c. Capital Budgeting
  - d. Cash budget
- 11 EPS means
- a. Earning plant supreme
  - b. Earning per State
  - c. Evaluation per share
  - d. Earning per share
- 12 Gross profit ratio is expressed in terms of
- a. Times
  - b. Percentage
  - c. Proportion
  - d. Average
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