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SUBJECT CODE NO: - X-3049
FACULTY OF COMMERCE & MANAGEMENT
B.Com T.Y (Sem-VI)
Examination March / April - 2023
Management Accounting-II

[Time: 3:00 Hours]

[Max. Marks: 80]

Please check whether you have got the right question paper.

N. B

- 1) Questions No.1 compulsory
- 2) Attempt any four questions from Q.no.2 to Q.no.7
- 3) Use for calculator is allowed

Q1

A) Select the most appropriate answer

05

- i) The -----budget is the summary budget incorporating its component functional budget
a) Functional b) master c) Both d) All of the above
- ii) Capital budgeting decisions are essentially -----functions
a) Short term b) long term c) forecast d) All of the above
- iii) Responsibility Accounting is also known as -----
a) Profitability accounting b) Activity accounting
c) Both A and B d) None of the above
- iv) Working capital is also known as ----- capital
a) Current asset b) projecting c) both d) operating
- v) Cash budget is a part of
a) Master budget b) financial budget
c) functional budget d) All of the above

B) Answer one sentence

05

- i) What is budget?
- ii) What is sale budget?
- iii) What is the meaning of working capital management
- iv) What is capital budgeting
- v) What is the cash budget?

- C) Fill in the blanks and rewrite the sentence 05
- A budget is both a plan as well as control -----
 - Budgets are those budgets which lay down the estimates in respect.
 - cash budget is prepared on which basis.
 - The basic goal of working capital management is to manage the ----
 - The responsibility accounting is the part of -----
- D) State whether following statement are true or false 05
- A budget is both a plan as well as control tool
 - Cash budget is the summary budget incorporating its component functional budget
 - A sales budget is a projection of sales during budget period.
 - Responsibility accounting results in inter –departmental conflicts
 - The Net present value (NPV) is a method that is primarily used for financial analysis in determining the feasibility of investment in a project or a business

Q2 From the following budgeted data of Kimaya company Limited prepare a cash budget for 15 month of March to Aug 2018 are given

Months	Sales (credit Rs.)	Purchase (credit Rs.)	Wages (Rs.)	mfg .exp.(Rs)	Offices Exp(Rs)	Selling Exp(Rs)
March	30,000	18,000	4500	1750	1000	2000
April	31,000	19,000	4000	1875	750	2500
May	32,000	16500	5000	2000	1250	2250
June	29,000	17500	4250	1875	1000	1750
July	28,000	19500	4750	2500	500	1750
Aug	30,000	17,000	4000	2600	750	2250

Additional information:

- Plant costing for Rs.8000 is due for delivery in July payable 10% on delivery and the balance after 3 months.
- Advance tax of Rs. 4000 is payable in March and June each
- Period of credit allowed by suppliers 2 moths and that to customers 1 months
- Log in payment of all exp. 1 month

Prepare cash budget for the month of May June and July

Q3 Prepare master budget of Manisha company Limited for the year ending March 2018

15

Particular	Amount (Rs.)
Sales	
X model	15,00,000
Y model	25,00,000
Direct material cost 60% of sale	
direct labour cost 20 workers 750 per month	
workers manager	2500pm
Foreman salary	2000P.m
Stores and spaces	2.5% on sales
Dep. On machinery	63,000
Power etc	25,000
Repairs etc	40,000
Other sundries	10% of direct labour

Administration and selling and distribution exp. Are expected to be of Rs. 70,000.

Q4 A company is considering to Purchase a machine two machine each costing of Rs. 4,00,000 are available earning after before charging dep. are

15

Year	Cash inflow	
	Machine A	Machine B
1	1,20,000	80,000
2	1,80,000	1,60,000
3	2,00,000	2,40,000
4	1,50,000	1,80,000
5	1,00,000	1,40,000

Evaluate two alternative according to the net present value method at discount rate of 10%

The Present value of Rs. 1 at 10% is

Year	Rs.
1	0.909
2	0.826
3	0.751
4	0.683
5	0.621

- Q5 What is mean by working capital management? What are the importance of working capital management 15
- Q6 What is budgetary control? Explain the characteristics & Advantage of budgetary control 15
- Q.7 Write short notes on (any three) 15
- 1) Advantages of responsibility accounting
 - 2) Responsibility reporting
 - 3) Limitation of budgetary control
 - 4) Sources of working capital
 - 5) Objectives of budgetary control