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SUBJECT CODE NO:- C-3035
FACULTY OF COMMERCE AND MANAGEMENT
B.Com T.Y. (Sem-VI) Examination Oct/Nov 2019
Management Accounting –II

[Time: Two Hours]

[Max. Marks: 50]

Please check whether you have got the right question paper.

N.B

1. Q.No.1 is compulsory.
2. Attempt any three questions from remaining four questions.
3. Use of calculator is allowed.

Q.1 Define Budget and Budgetary control. Explain its characteristics. 08

Q.2 From the following information prepare a Cash-Budget for the month of January 2016 to March, 2016: 14

Months	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Office Expenses (Rs.)	Factory Expenses (Rs.)	Selling Expenses (Rs.)
Novo.2015	50,000	30,000	6,000	4,000	5,000	3,000
Dec.2015	56,000	32,000	6,500	4,000	5,500	3,000
Jan.2016	60,000	35,000	7,000	4,000	6,000	3,500
Feb.2016	80,000	40,000	9,000	4,000	7,500	4,500
March.2016	90,000	40,000	9,500	4,000	8,000	4,500

Additional Information:

- i) Opening cash balance on 1st January, 2016 was Rs.1,25,000
- ii) 25% of sales are in cash and remaining is collected in the following month that of sales
- iii) Suppliers supply goods at two months credit.
- iv) Wages and all other expenses are paid in the month following in which they are incurred.
- v) The company pays dividends to shareholders Rs.20, 000 and bonus to workers Rs.25, 000 in March, 2016.
- vi) Plant has been ordered and expected to be received in February, 2016. It will cost Rs.60, 000 to be paid in February, 2016.
- vii) Income tax Rs.20, 000 is payable in March, 2016.

Q.3 Ajanta Co. Ltd. manufactures two products "Black" and "White". A forecasts the number of units to be sold in the first four months of the year 2016 is given below: 14

Month of 2016	Product	
	Black (Units)	White (Units)
January	21,000	42,000
February	23,800	42,000
March	29,400	36,400
April	35,000	30,800

It is anticipated that:

- a) There will be no work-in-progress at the end of any month.
- b) Finished units equal to half the sales for the next month will be in stock at the end of at the end of each month (including previous December, 2015).

You are required to prepare a production Budget monthly for the first quarter ending march, 2016.

Q.4 Raj has two projects each costing Rs.6, 00,000. The annual cash-inflows (after tax but before depreciation) of both projects are: 14

Year	Cash -Inflows	
	Project 'X' (Rs.)	Project 'Y' (Rs.)
1	75,000	85,000
2	1,35,000	1,15,000
3	2,25,000	1,95,000
4	2,65,000	2,00,000
5	1,95,000	2,50,000

Calculate Pay-Back-Period and advice which project is better under “Pay-Back-Period -Method”

Q.5 Examine the significance and problems of Responsibility Accounting. 14