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SUBJECT CODE NO: - X-3062
FACULTY OF COMMERCE AND MANAGEMENT
BCOM (CBCGS)(Pattern-2018-22) T.Y SEM VI
Examination April / May - 2024
Management Accounting-II

[Time:3:00 Hours]

[Max. Marks:80]

N. B

Please check whether you have got the right question paper.

- 1) Question No. 1 is compulsory
- 2) Solve Any 4 question from Question No. 2 to 7
- 3) Use of Calculator is allowed.

Q.1

A. Select the most appropriate answer from the alternatives given below

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- 1) Varies inversely with profitability.
 - a) Risk
 - b) Assets
 - c) Liquidity
 - d) Revenue
- 2) Budget includes
 - a) Income
 - b) Expenditure
 - c) Employment of Capital
 - d) All of the above
- 3) The Object of Budegetory control is
 - a) Planning
 - b) Forecasting
 - c) Organizing
 - d) Directing
- 4) Cash Budget is a..... budget
 - a) Short Term
 - b) Long Term
 - c) Both a & B
 - d) None of the above
- 5) The More Limited the payback period.....
 - a) The more will the NPV of the venture
 - b) The More dengerous the undertaking is
 - c) Less will the NPV of the venture
 - d) The safer the venture is venture

B. Answer the following questions in one sentence

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1. What is Working Capital?
2. Define Budgetary Control?
3. What is Cash Budget?
4. Define Capital Budgeting?
5. What is Responsibility Reporting?

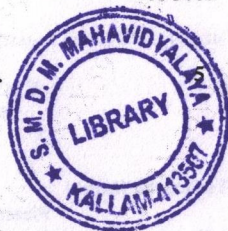
C. Fill in the blanks and rewrite the sentence

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1. Spontaneous financing consist of.....
2. Working Capital is also known as.....
3.Budget may be compiled on departmental basis.
4. Goodwill is an.....assets
5.is a summary of all functional budgets in a capsule form.

D. State whether the following statements are True or False.

1. Permanent working capital includes fixed assets.
2. In general long term debts cost less than short term debts.
3. Flexible budget change with the level of activity.
4. Planning is the object of Budgetary control
5. Sunk cost is not a part of capital budgeting.



Q.2 Prepare a cash Budget of MCC Ltd. for six months commencing from March, 2014 to August, 2014. 15

Months	Total Cash Sales (₹)	Selling EXP. (₹)	Credit Purchases(₹)	Wages(₹)	Overhead	
					Factory	Office (₹)
January	6,80,000	68,000	3,40,000	75,000	50,000	30,000
February	8,50,000	85,000	4,25,000	80,000	55,000	25,000
March	9,00,000	90,000	4,50,000	85,000	45,000	20,000
April	9,50,000	75,000	3,70,000	60,000	55,000	28,000
May	8,00,000	80,000	4,00,000	90,000	65,000	25,000
June	10,00,000	1,00,000	5,00,000	80,000	50,000	30,000
July	11,00,000	1,10,000	5,50,000	84,000	40,000	25,000
August	10,50,000	1,05,000	5,25,000	79,000	45,000	30,000

Additional Information:

- 1) Opening cash balance on 1st March 2014 is Rs 1,10,000
- 2) Period of credit allowed by suppliers - 1 month
- 3) Period of credit allowed to customers - 1 months
- 4) Lag in payment of factory, office and selling overheads - one month
- 5) Land & bulding purchased in May for 7,50,000 payable on 15th May i.e. agreement to sale and at the time of sale deed after two months from the date of agreement to sale in two equal instalments.
- 6) Machinery purchased for Rs 1, 80,000 in March payable on delivery within 15 days.
- 7) Commission on sales payable @ 5% two months after actual sales.
- 8) Delay in the payment of wages - 1 month.

Q.3 Prepare Master budget of Krutarth Glass Manufacturing Company Ltd. for the year ending March, 2020. 15

Sales :-	
Rough Glass	₹3,00,000
Finishing Glass	₹5,00,000
Direct Material Cost	60% of Sales

Direct wages: 20 workers @ Rs 150 Per Month.

Works Manager Salary	₹500 P.M.
Foreman	₹400 P.M.
Store and spares	2.5% on Sales
Depreciation on Machinery	₹12,600

Repairs and Maintenance	₹8,000
Light and Power	₹5,000
Other Sundries	10% on direct wages (Fixed)
Selling and Distribution Expenses	₹14,000 PA

- Q.4 Prapti Ltd. is considering purchasing two CNC machines. There are two alternatives models M and N Prepare a comparative statement of profitability under the pay-back period method from the following details: 15

Particulars	Machine M (₹)	Machine N (₹)
Cost of machine	25,00,000	62,50,000
Estimated life of machine	8 years	10 years
Estimated saving in direct wages	12,50,000	37,50,000
Additional cost of maintenance	2,00,000	2,50,000
Additional cost of supervision	3,00,000	6,25,000
Estimated saving in scrap	50,000	1,25,000

- Q.5 What is mean by Working Capital? Give the sources and Objective of Working Capital. 15

- Q.6 What is Budgetary Control? Write Advantages and Disadvantages of Budgetary Control. 15

- Q.7 Write a Short Notes (Any Three)

1. Benefits of Responsibility Account
2. Kinds of working capital
3. Production Budget
4. Pay-back Period Methods

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