



**CODE - VELLUM**

- N.B.** 1) **Solve all 4 Questions.**  
2) **All Questions carry is marks**  
3) **Maximum marks 60 marks.**  
4) **Maximum Time 2 Hours**

- Q.1)** i) Give importance of Management Accounting. 5  
ii) Give limitations of Management Accounting. 5  
iii) Give Functions of Controller in detail. 5

**OR**

- Q.1)** i) Give the Functions of Management Accounting. 5  
ii) Who are the users of Accounting information? 5  
iii) Give Functions of Treasurer in detail. 5

- Q.2) Write short notes on following .** **(3 Marks each)**  
i) Period Cost  
ii) Variable Cost  
iii) Controllable Cost  
iv) Step-Fixed Costs  
v) Opportunity Cost.

**OR**

- Q.2) Write short notes on following** **(3 marks each)**  
i) Direct Cost  
ii) Mixed Cost  
iii) Marginal Cost  
iv) Product Cost  
v) Differential Cost

- Q.3)** i) What is P/V Ratio ? **(5 marks each)**  
ii) What is Break-even-point? Explain & give formula for BEP (Quantity) & BEP ( sales in Rs.)  
iii) What is Margin of safety ? What does it indicate ? Give both formulae of margin at safety.

**OR**

- Q.3) A) From the following particulars you are required to calculate :** **(10 marks)**  
i) P / V Ratio  
ii) Break even point (sales in Rs.)  
iii) Sales required to earn profit at Rs. 80,000.  
iv) Profit when sale is Rs. 4,00,000.  
v) Margin of safety in the 2<sup>nd</sup> year.

year	Sales in Rs.	Profit in Rs
I	4,80,000	36,000
II	5,60,000	52,000.

You may assume that the cost structure and selling prices remain remain Constant in the two years.

- B)** A manufacturer has planned his level of operation at 50% of his plant capacity of 30,000 units. His expenses are estimated as follows, if 50% of the plant capacity is utilised. 5

i)	Direct Materials	Rs . 6280
ii)	Direct wages	Rs. 11,160
iii)	Variable & other mfg expenses	Rs. 3,960
iv)	Total fixed expenses irrespective of capacity utilisation	Rs. 6,000

The expected selling price in the domestic markets is Rs.2 per unit. Recently the manufacturer has received an enquiry from a foreign Company interested in purchasing 6,000 units at a price of Rs 1.45 per unit.

As a Consultant, what would be your suggestion regarding acceptance or rejection of the offer? Support your suggestion with suitable quantitative information.

- Q.4)**
- |      |  |   |
|------|--|---|
| i)   | What are the objectives & Limitations of Budgetary Control system? | 5 |
| ii)  | Write a short note on cash Budget.                                 | 5 |
| iii) | Distinguish between standard costing and Budgetary Control.        | 5 |

**OR**

- Q.4) a) Explain the following.** 6
- |      |                   |
|------|-------------------|
| i)   | Current standard. |
| ii)  | Variance analysis |
| iii) | Standard Cost     |

- b)** You are requested to prepare a sales overhead Budget from the estimated given below. 9

i)	Advertisement	Rs . 2,500
ii)	Salaries of the sales department	Rs. 5,000
iii)	Expenses of the sales department	Rs. 1,500
iv)	Counter salesmen's salaries & dearness allowance	Rs. 6,000
v)	Commission to counter salesmen at 1% on their sales.	
vi)	Travelling salesmen's Commission at 10 % on their sales and expenses at 5 % on their sales.	
vii)	The Estimated sales for the period were as following :-	

	Counter Sales Rs.	Travelling Salesmen's Rs.	Total Sales Rs.
Period I	80,000	10,000	90,000
Period II	1,20,000	15,000	1,35,000
Period III	1,40,000	20,000	1,60,000

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