

## **MCOM 2001**

M.Com. DEGREE EXAMINATION, JANUARY 2021.

Second Year –Non- Semester

Commerce

### MANAGERIAL DECISIONS ACCOUNTING

Time : Three hours

Maximum : 100 marks

PART A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. What are the objectives of management accounting?
2. From the following data calculate:
  - (a) P/V ratio
  - (b) Profit when sales are Rs. 20,000

Fixed expenses	Rs. 4,000
Break-even sales	Rs. 10,000
3. What are the merits and demerits of budgetary control?

4. The standard time and rate for unit component are given below:

Standard hours 20

Standard rate Rs.5 per hour

Actual data and related information are as under:

Actual production 1,000 units: Actual hours 20,500 hours:

Actual rate per hour Rs.4.80

Calculate

- (a) Labour Cost Variance
  - (b) Labour efficiency Variance and
  - (c) Labour rate Variance
5. From the following data, calculate overhead variances

	Budgeted	Actual
	Rs.	Rs.
Fixed overheads	3,00,000	3,20,000
Output in units	30,000	26,000
Working Hours	75,000	60,000

6. The following information of a company is given.

Current Ratio 2.5: 1

Acid-Test Ratio 1.5:1

Current Liabilities Rs. 50,000

Find out:

(a) Current Assets

(b) Liquid Assets

(c) Inventory

7. From the following information relating to Bright Ltd., calculate fund lost in operations.

	Rs.
Net loss for the year	90,000
Dividend received	7,000
Depreciation charged	10,000
Profit on sale of asset	5,000
Refund of tax	2,000

8. List out the benefits obtained by TQM.

PART B — (5 × 12 = 60 marks)

Answer any FIVE questions.

9. Distinguish between cost centre and profit centre.
10. Prepare a cash budget from the following information :( April to June)

Month (2018)	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)
February	90,000	62,400	6,000
March	96,000	72,000	7,000
April	54,000	1,21,500	5,500
May	87,000	1,23,000	5,000
June	63,000	1,34,000	7,500

- (a) 50% of credit sales are realized in the month following the sales and remaining 50% in the second month following.
- (b) Creditors are paid in the month of purchases.
- (c) Cash at bank on 1.4.2018 (estimated) Rs. 12,500.

11. SV Ltd., a multi-product company, furnishes you the following data relating to the year 2017.

	First half of the year Rs.	Second half of the year Rs.
Sales	45,000	50,000
Total cost	40,000	43,000

Assuming that there is no change in prices and variable costs and that the fixed expenses are incurred equally in the two half year periods calculate for the 2011

- The Profit Volume Ratio
  - Fixed expenses
  - Break-even sales
  - Percentage of Margin of Safety
12. The standard cost of a certain mixture is  
40% Material A at Rs.25 per kg  
60% Material B at Rs.36 per kg  
A standard loss of 10% is expected in production  
During a period, the actual usage and price were:  
150 kgs of Material A at Rs.27 per kg  
260 kgs of Material B at Rs.34 per kg  
The actual output was 360 kgs.  
Compute all Material Variances

13.

Product	Budget		Actual	
	Qty	Price p.u.	Qty	Price p.u.
A	400	30	500	31
B	200	25	100	24

Calculate

- Sales value Variance
- Sales price Variance
- Volume Variance
- Mix Variance
- Sub-volume Variance

14. Prepare cash flow statement form the balance sheets as on 31-12-2016 and 2017

Liabilities	31.12.2016	31.12.2017	Assets	31.12.2016	31.12.2017
Share capital	35,000	37,000	Cash in hand	4,500	3,900
5%Debentures	6,000	3,000	Debtors	7,450	8,850
Provn. for bad debts	350	400	Stock	24,600	21,350
Creditors	5,180	5,920	Land	10,000	15,000
Profit and loss a/c	5,020	5,280	Good will	5,000	2,500
	<u>51,550</u>	<u>51,600</u>		<u>51,550</u>	<u>51,600</u>

Other information:

- (a) Dividend paid total Rs. 1,750
- (b) Land was purchased for Rs. 5,000
- (c) Amount provided for amortization of goodwill of Rs. 2,500
- (d) 5% Debentures paid off Rs. 3,000.

15. From the following information, construct a Balance sheet.

	Rs.
Working Capital	75,000
Reserves and Surplus	1,00,000
Bank Overdraft	60,000
Current ratio	1.75
Liquid ratio	1.15
Fixed assets to Proprietors fund	0.75

There is no long term liability.

16. Explain the people's role in six sigma.