

D.K.M. COLLEGE FOR WOMEN (AUTONOMOUS),
SEMESTER EXAMINATIONS
APRIL – 2017
COST AND MANAGEMENT ACCOUNTING

Time: 3 Hrs

SECTION – A (10 X 2 =20)

Answer ALL the questions.

1. Define cost accounting.
2. What is financial Statements?
3. What is direct Labour cost?
4. What is cost unit?
5. Define Ratio analysis.
6. What do you mean by Fund?
7. Define Zero base budget.
8. What is meant by Master budget?
9. Define marginal costing.
10. What is meant by “Angle of incidence”?

SECTION – B (5 X 5 =25)

Answer any FIVE of the following questions.

11. Differentiate between Cost accounting and Management accounting.
12. During the year 1998, X Ltd., produced 50,000 units of a product. The

	Rs.
Stock of raw materials on 1- 1- 98	10,000
Stock of raw materials on 31-12-98	20,000
Purchases	1,60,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500

Outstanding Expenses	6,000	9,000	Trade Creditors
Trade Creditors	33,000	40,000	Accrued interest
			Prepaid insurance
			Cash at bank
			Cash in Hand
	1,17,000	1,25,000	

14. Malar Ltd. Furnish you the following Balance Sheets for the years end
are required to calculate cash from operation statement for the year end

Liabilities	1985 (Rs)	1986 (Rs)	Assets
Equity Share Capital	20,000	20,000	Good will
General reserve	2,800	3,600	Land
Profit & Loss A/c	3,200	2,600	Building
Sundry Creditors	1,600	1,080	Investments
Outstanding expenses	240	160	Inventories
Provision for tax	3,200	3,600	A/c receivable
Provision for bad debts	80	120	Bank Balance
	31,120	31,160	

Following additional information has been supplied

- i) A Piece of land has also been sold for Rs.800.
- ii) Depreciation amounting to Rs.1,400 has been charged on building
- iii) Provision for taxation has been made for Rs.3,800 during the year

15. You are required to prepare a production budget for the half year ending
following information.

Product	Budgeted sales quantity	Actual stock on 31-12-99
	Units	Units

18. Calculate Break - even point from the following :

Sales 1,000 units at Rs.10 each Rs.10,000

Variable cost –Rs.6 per unit

Fixed cost - Rs.8,000

SECTION – C (3 X 10 =30)

Answer ALL the questions.

19. a) Define Management Accounting ? What are the limitations of management

(Or)

b) Explain Break - even analysis.

20. a) The accounts of a machine manufacturing company disclose the following ending 31st December 1978.

	Rs.
Materials used	1,50,000
Direct wages	1,20,000
Factory overheads	30,000
Administrative expenses	15,000

Prepare cost sheet for the half year and calculate the price which the company should charge for the manufacture of a machine of a machine requiring materials valued at Rs.1,50,000, productive wages Rs.750, so that the price might yield a profit of 20% on the cost.

(Or)

b) The following is the comparative Balance Sheets of Pratima & Co.Ltd. As at 30-06-1987 and 30-06-1988.
June 1998.

Balance Sheet			
Liabilities	30-06-1987	30-06-1988	Assets
	(Rs)	(Rs)	
Share Capital	1,80,000	2,00,000	Goodwill
Reserve Fund	28,000	36,000	Buildings

iv) Taxes paid during the year Rs.30,000

Prepare a) A Statement of changes in working capital.

b) A Funds flow statement.

21. a) From the following data forecast the cash position at the end of April, Ma

Month 1998	Sales Rs.	Purchases Rs.	Wages Rs.
February	1,20,000	80,000	10,000
March	1,30,000	98,000	12,000
April	70,000	1,00,000	8,000
May	1,16,000	1,03,000	10,000
June	85,000	80,000	8,000

Further information:

Sales at 10% realized in the month of sales. Balance equally realized in

Purchases: Creditors are paid in the month following the month of supply

Wages: 20% paid in arrears in the following month.

Sundry expenses paid in the month itself.

Income tax Rs.20,000 payable in June.

Dividend Rs.12,000 payable in June.

Income from Investments Rs.2,000 received half-yearly in March and S

Cash Balance on hand as on 1-4-88 Rs.40,000

(Or)

b) A.G.Ltd.Furnished you the following related to the year 1996.

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