

**D.K.M. COLLEGE FOR WOMEN (AUTONOMOUS), V**  
**SEMESTER EXAMINATIONS**  
**APRIL – 2016**  
***COST AND MANAGEMENT ACCOUNTING***

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**Time: 3 Hrs**

**SECTION – A (10 X 2 =20)**

**Answer ALL the questions.**

1. Define the term Costing.
2. Define Direct Labour Cost.
3. What is Management accounting?
4. What is a financial statement?
5. Give the Meaning of Ratio.
6. What is fund flow statement?
7. Define budget.
8. What is budgetary control?
9. What is meant by Break – Even Point?
10. What is meant by Margin of Safety?

**SECTION – B (5 X 5 =25)**

**Answer any FIVE of the following questions.**

11. Bring out the limitations of Management Accounting.
12. Differentiate between cost accounting and management accounting
13. During the year 1998, X Ltd produced 50,000 units of a product. The following

Particulars	Rs.
Stock of raw materials on 1-1-1998	10,000
Stock of raw materials 31-12 -1998	20,000
Purchases	1,60,000
Direct Wages	75,000
Direct Expenses	25,000
Factory Expenses	37 500

15. Calculate fund from operation from the following P & L A/c.

P & L A/c			
	Rs.		Rs.
To Rent	10,000	By Gross Profit	9,86,000
To Salary	25,000		
To Dep on furniture	3,000		
To Dis. on. issue of Shares	10,000		
To Goodwill Written Off	5,000		
To Preliminary Expenses	6,000		
To Net Profit	9,27,000		
	<u>9,86,000</u>		<u>9,86,000</u>

16. From the following particulars presented by K.G.Ltd. prepare a production

Product	Estimated Opening stock on 1.4.99 (units)	Desired closing stock on 31.12.2000 (units)	Estimated sales during the year (units)
A	20,000	22,000	50,000
B	25,000	24,000	60,000
C	15,000	20,000	75,000
D	25,000	25,000	90,000

17. Determine the amount of Fixed cost from the following.

Sales	Rs.8,00,000
Variable Cost	Rs.4,00,000
Profit	Rs.3,00,000

18. From the following data Calculate

a) P / V Ratio    b) Variable cost and    c) Profit.

	Rs.
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b) From the following information, prepare a cost sheet for the month of D

Stock on hand – 1 <sup>st</sup> Dec.1985 : Raw Materials	25000
: Finished goods	17300
Stock on hand – 31 <sup>st</sup> Dec 1985 : Raw Materials	26200
: Finished goods	15700
Purchase of Raw materials	21900
Carriage on purchases	1100
Work - in – Progress 1-12 - 85 at works cost	8200
Work – in – Progress 31-12 - 85 at works cost	9100
Sales of Finished goods	72300
Direct Wages	17200
Non Productive wages	800
Direct expenses	1200
Factory overhead	8300
Administrative Overheads	3200
Selling and distribution overheads	4200

20. a) From the following details compute

i) Current assets.

ii) Quick assets and

iii) Stock.

Current liabilities : Rs.9,00,000

Current ratio : 2.5.

Acid test ratio : 2

(without prepaid expenses)

(Or)

b) A Company's reported current profit of Rs.90,000 after incorporating the

	Rs.
Profit on sale of Non - Current assets.	50,000
Profit on revaluation of investments	3,000
Dividend income on investments	5,000

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

Month 1998	Sales Rs.	Purchases Rs.	Wages Rs.	Sales
February	1,20,000	80,000	10,000	
March	1,30,000	98,000	12,000	9
April	70,000	1,00,000	8,000	5
May	1,16,000	1,03,000	10,000	1
June	85,000	80,000	8,000	

Further information:

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

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

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

Sundry expenses are 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.44,000.

(Or)

b) The sales turnover and profit during two years were as follows:

Year	Sales Rs.	Profit Rs.
1991	1,40,000	15,000
1992	1,60,000	20,000

Calculate:

- P / V Ratio .
- Break – Even Point.
- Fixed expenses.
- Sales required to earn a profit of Rs.40,000.

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