

SGT UNIVERSITY
END TERM THEORY EXAMINATION JULY-2022

Faculty/College of Study:	Commerce & Management	Year/Semester:	6 th Semester
Program:	B. Com (Pass)/B. Com (Hons.)	Duration:	03:00 Hrs.
Course/Subject:	Management Accounting	Maximum Marks:	60
Course/Subject Code:	06020608 B. Com (Pass) 06070615 B. Com (Hons.)	Batch:	2019

Instructions:-

1. Write Your Roll No. on the Question Paper.
2. Candidate should ensure that they have been provided correct question paper. Complaint(s) in this regard, if any should be made within 15 minutes of the commencement of the exam. No complaint(s) will be entertained thereafter.
3. All Questions are compulsory. Marks are indicated against each question.
4. Illustrate your answer with diagram wherever required.

SECTION-A
(Very Short Answer Type Questions)

Note: All Questions are compulsory: -

[12X1=12 Marks]

S. No.	Question	Marks Allotted
1	Define Financial Accounting.	1
2	What do you mean by subsidiary books?	1
3	What is the rule of recording of transaction in nominal accounts?	1
4	Define Management Accounting.	1
5	What are the duties of management accountant?	1
6	What is meant by a budget?	1
7	Define the term Cash Flow.	1
8	Define the term Fund Flow Statement	1
9	What is a Break-Even Chart?	1
10	What is meant by Margin of Safety?	1
11	What is current standard?	1
12	What do you mean by Normal Standard?	1

SECTION-B

(Short Answer Type Questions)

Note: All Questions are compulsory: -

[4X2=8 Marks]

S. No.	Question	Marks Allotted
13	“Business has indefinite life.” Explain this in the light of going concern concept.	2
14	What are the objectives of Management Accounting?	2
15	Give examples of Operating Activities.	2
16	What is variance analysis? What is its significance in decision-making	2

SECTION-C

(Descriptive Answer Type Questions)

Note: All Questions are compulsory: -

[4X4=16 Marks]

S. No.	Question	Marks Allotted
17	What is the formula to calculate contribution?	4
18	“Management accounting is nothing more than the use of financial information for management purposes”. Explain this statement.	4
19	What are the sources of funds and application of funds?	4
20	Differentiate between Standard costs and budgeted costs.	4

SECTION-D

(Long Answer Type Questions)

Note: All Questions are compulsory: -

[4X6=24 Marks]

S. No.	Question	Marks Allotted
21	<p>Discuss the Advantages of Accounting. Are there any Limitations of Accounting?</p> <p style="text-align: center;">Or</p> <p>Pass Journal Entries for the following transactions:</p> <ol style="list-style-type: none"> 1. Anil kumar started business with cash Rs. 60,000. 2. Purchased goods for cash Rs. 18,000 3. Purchased goods from Mukesh Rs. 12,000. 4. Sold goods for cash Rs. 20,000 5. Sold goods to Hari Prasad Rs. 5,000 6. Returned goods to Mukesh Kumar Rs. 2,000 7. Cash received from Hari Prasad Rs. 4,000 8. Cash paid to Mukesh Kumar Rs. 10,000 9. Purchased Furniture from Ram das for cash Rs. 3,000 10. Paid for wages Rs. 1,500 11. Purchased goods from vijay for cash Rs. 8,000 12. Withdraw of cash by anil kumar for childrens fee Rs. 3,500 	6

22	<p>From the following particulars extracted from the books of Ashok & Co. Ltd., compute the following ratios and comment: (a) Current ratio, (b) Acid Test Ratio, (c) Stock-Turnover Ratio, (d) Debtors Turnover Ratio, (e) Creditors' Turnover Ratio, and Average Debt Collection period.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">Rs.</td> <td></td> </tr> <tr> <td>Bills Receivable</td> <td style="text-align: right;">30,000</td> <td></td> </tr> <tr> <td>Bills Payable</td> <td style="text-align: right;">60,000</td> <td></td> </tr> <tr> <td>Sundry Debtors</td> <td style="text-align: right;">1,20,000</td> <td></td> </tr> <tr> <td>Sundry Creditors</td> <td style="text-align: right;">75,000</td> <td></td> </tr> <tr> <td>Stock-in-trade</td> <td style="text-align: right;">96,000</td> <td></td> </tr> </table> <p>Additional information: (a) On 31-12-2002, there were assets: Building Rs. 2,00,000, Cash Rs. 1,20,000 and Cash at Bank Rs. 96,000. (b) Cash purchases Rs. 1,38,000 and Purchases Returns were Rs. 18,000. (c) Cash sales Rs. 1,50,000 and Sales returns were Rs. 6,000. Rate of gross profit 25% on sales and actual gross profit was Rs. 1,50,000.</p>		Rs.		Bills Receivable	30,000		Bills Payable	60,000		Sundry Debtors	1,20,000		Sundry Creditors	75,000		Stock-in-trade	96,000		6
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23	<p>From the following data, you are required to calculate: a) P/V ratio b) Break-even sales with the help of P/V ratio c) Sales required to earn a profit of Rs. 4,50,000 Fixed expenses: Rs. 90,000 Variable cost per unit: Direct material=Rs.5 Direct Labour=Rs.2 Direct Overheads=100% of Direct Labour Selling price per unit= Rs. 12</p> <p style="text-align: center;">Or</p> <p>“The technique of marginal costing and CVP Analysis can be a valuable aid to management”. Discuss.</p>	6																		
24	<p>The Standard Materials required for producing 100 units is 120 kgs. A standard price of 0.50 paisa per kg is fixed and 2,40,000 units were produced during the period. Actual materials purchased were 3,00,000 kgs at a cost of Rs. 1,65,000. Calculate Material variance.</p> <p style="text-align: center;">Or</p> <p>What is the meaning and importance of standard costing? Discuss the preliminary steps for establishing a system of standard costing.</p>	6																		