' ' 7l - Acc

Time : 2 hrs

EMERALD

Marks : 60

'B'

1) **All questions are compulsory.**
2) **Solve Part (A) or Part (B) from each of the questions.**

Q.1 A) Quick Co. Ltd. wishes to prepare cash budget from January to March 2005.

Month	**Sales**	**Materials**	**Wages**	**Production Overheads**	**Selling expenses**
January	20,000	20,000	4,000	3,200	800
February	22,000	14,000	44,00	33,00	900
March	24,000	14,000	4,600	3,300	800
April	26,000	12,000	4,600	3,400	900

Cash Balance on 1st January 2005 was 10.000 Rs.

Sales commission @ 5% on sales to be paid within 1 month following actual sales.

Credit period of suppliers 2 months.

Credit period of customers 1 month.

Overheads & wages are paid after one month.

Cash sales are 50% of total sales. **15**

OR

Q.1 B) M Ltd. manufactured and sells 3 products. All products pass through machining process, the capacity of machine is limited to 20,000hrs. p.a. The following additional information is available :-

	X	**Y**	**Z**
Selling price per unit (Rs.)	1,900	2,400	4,000
Variable Cost per unit (Rs.)	700	1200	2800
Machineries. required (per unit)	3	2	1
Fixed cost Rs. 50 each			
Sales (maximum)	10,000 units	2000 units	1000 units

Your are required to prepare a statement showing the best possible mix which provide maximum profits.

Q.2 A) i) The ratio of variable cost to sales is 70%. The break even point Occurs at 60% of the capacity sales. Find the capacity sales when fixed cost are Rs. 90,000. also compute at 75% of the capacity sales. **8**

ii) If margin of safety is Rs. 2,40,000 (40% of sales) and Pv ratio is 30% of A B LTd.

OR

Q.2 B) i) From the following data, calculate break- even point.

	Rs.
Selling price per unit	20
Variable cost per unit	15
Fixed Overheads	20,000

It sales are 20% above break even point, determine the net profit. 8

ii) Calculate P.V. ratio are fixed expenses from the following :

Margin of safety	Rs.	80,000
Profit	Rs.	20,000
Sales	Rs.	3,00,000

7

Q.3 A) From the following details calculate all possible variances.
Standard Cost for 10 units.
Material 500 kgs. @ Rs. 40 per Kg.
Labour 4000 @ Rs. 1 per hour
Actual cost for 20 kgs.
Material 980 kgs. @ Rs. 42 per kg.
Labour 7920 hrs. @ Rs. 1.10 per hrs. 15

OR

Q.3 B) i) Fixed production overheads of producing one unit of an item were Rs. 35.
Fixed production overheads were absorbed on expected annual output of 13,200 units
The actual production of 1 month was 1000 units. The actual fixed overheads for that month were Rs. 39,000. Calculate overhead variances. 8

ii) From the following information calculate :
a) Fixed overheads cost variance, b) Fixed overheads expenditure variance and c) Volume variance.

	Budget Rs.	Actual Rs.
Fixed overheads for June	10,000	12,000
Production in June (units)	2,000	2,100
Standard time per unit (hrs)	10	—
Actual hours worked in June	----	22,000

7

4 A) **Write short notes on :** 15
–Sunk cost or Historical cost
–Controllable cost
–Opportunity cost.

OR

4 B) i) What are the functions of manager as a treasurer and as controller. 10
ii) Explain semi-variable cost along with example. 5