Time : 2 & ½ Hours

L

Marks : 75

Instructions:

1. All questions are compulsory; subject to internal choice.
2. Use of a simple calculator is allowed.
3. Working note should form part of your answer.
4. Graph paper will be provided on demand.

Q.1 Explain the following (any 3 out of 5) **(15)**

A) Direct and Indirect Cost.
B) Characteristics of MIS.
C) Scope of a Management Accountant.
D) Management Structure.
E) Function of Controller & Treasurer.

Q.2

A) The Nargis Co., furnishes you the following income information: **(8)**

	Year 2015	
	First Half Rs.	**Second Half Rs.**
Sales	25,000	37,500
Profit earned	5,000	10,000

From the above, you are asked to compute the following

1. Profit/ Volume ratio
2. Break Even Point (in amount).
3. Amount of profit or loss when sales are Rs.20,000.
4. Amount of sales required to earn a profit of Rs. 7,500.

B) Solve by graphical method **(7)**

Minimise $Z = 10x + 20y$

Subject to $18x + 3y \geq 54$

$3x+12y \geq 36$

$10x+ 5y \geq 50$

$x,y \geq 0$

OR

A) From the following information of Madhubala Ltd., prepare an income Statement under Absorption Costing. **(8)**

Particulars	Products		
	X	Y	Z
Direct Materials	7,500	30,000	3,000
Direct Wages	9,000	9,000	1,500
Factory Overhead:			
Fixed	3,000	1,500	1,500
Variable	3,900	9,000	4,500
Selling Overhead:			
Fixed	1,500	900	600
Variable	2,100	6,000	3,000
Sales	32,000	61,000	16,000

B) From the following information of Sridevi Ltd., find out: **(7)**

1. Profit/ Volume ratio
2. Break Even Point (in amount)
3. Profit when sales are Rs. 2,50,000.
4. Sales required to earn the profit of Rs.80,000.

Fixed Cost Rs. 20,000, Variable Costs Rs 7.5 per unit, Estimated sales Rs. 3,00,000 and Selling Price per unit is Rs.10.

Q.3

A) Following information has been made available from the cost records of Priyanka., manufacturing spare parts: **(8)**

Direct Materials	Per Unit	
	X	Rs 8
	Y	Rs 6
Direct Wages	X	24 hours at the rate of 25 paise per hour
	Y	16 hours at the rate of 25 paise per hour
Variable Overheads	150% of wages	
Fixed Overheads	Rs.750	
Selling Price	X	Rs 25
	Y	Rs 20

The Directors wants to be acquainted with the desirability of adopting any one of the following alternative sales mix in the budget for the next period:

a) 250 units of X and 250 units of Y.
b) 400 units of Y only.
c) 400 units of X and 100 units of Y.
d) 150 units of X and 350 units of Y.

State which alternatives you would recommend to management.

B) Three products X,Y and Z are made and sold by a Rani Co., Ltd., The relevant information is given below: **(7)**

		Product X Rs.	Product Y Rs.	Product Z Rs.
Sales (units)		7,500 units	6,000 units	6,000
Selling Price per unit		210	220	300
Direct Materials		50	120	90
Variable Overheads		12	7	16
Direct Labour:	Rate per hour	Hours	Hours	Hours
Department A	Rs. 5	14	8	15
Department B	Rs. 6	4	3	5
Department C	Rs. 4	8	4	15

Total fixed overheads for the year are Rs. 3,00,000.

You are required to find out the profit of the company and which of these products is most profitable based upon contribution? Rank the products.

OR

A) A Sonam Ltd., produces 100 articles for home market at the following costs: (8)

Particulars	Amount Rs.	Amount Rs.
Materials		4,000
Wages		3,600
Factory Overheads:		
Fixed	1,200	
Variable	2000	3,200
Administration Overhead (Fixed)		1,100
Selling Overheads:		
Fixed	1,000	
Variable	1,600	2,600
Total		15,200

The home market can consume only 100 units at a selling price of Rs. 155 per article. The foreign market for this product can however consume additional 400 units if the price is reduced to Rs. 125.

Should the company go in for foreign market at Rs. 125 per unit?

B) Shilpa Ltd., manufactures four components, the cost structure of which is given below: (7)

Particulars	A Rs.	B Rs.	C Rs.	D Rs.
Direct Material	80	100	100	120
Direct Labour	20	25	25	30
Variable Overheads	10	12	15	10
Fixed Overheads	15	23	20	20
Total	125	160	160	180

You are required to advise the management whether to make or buy them from a supplier who quotes following prices:

A- Rs115,
B- Rs 175
C- Rs 135
D- Rs 185

Q.4

A) The following figures are extracted from the books of Karina Ltd., for the year 2015: (8)

Particulars	Amount Rs.
Direct Materials	2,05,000
Direct Labour	75,000
Fixed Overheads	60,000
Variable Overheads	1,00,000
Sales	5,00,000

Calculate

1. Break-even point(in amount).
2. Break-even point (in amount), if fixed costs increase by 10%.
3. Break-even point (in amount), if variable cost decrease by 3%.

B) Three products X,Y and Z are made and sold by a Karishma Ltd., . The relevant information is given below:

	Product X Rs.	Product Y Rs.	Product Z Rs.
Sales (units)	1,000 units	2,000 units	3,000
Selling Price (per unit)	310	110	80
Direct Materials (per unit)	90	40	30
Variable Overheads (per unit)	40	20	10
Direct Labour (per unit)	20	10	05
Fixed Cost (in amount)	Rs.10,000	Rs.20,000	Rs. 30000

You are required to find out

1. Profit in given condition.
2. Profit if units sold increase by 50%.
3. Profit if fixed cost decrease by 50%.

OR

A) Prethy Ltd., supplies you the following standard cost per unit for one of its products: **(8)**

Direct Material	Rs. 1.60	Direct Labour	Rs. 1.50
Variable Factory Overhead	Rs. 1.20	Fixed factory Overhead	Rs. 3.00
Varaible Selling Overhead	Rs. 0.50	Fixed Selling Overhead are Rs.75,000 per year	
Selling Price in each year	Rs 10.50		

Production and sales for the year 2014 and 2015 are as follows:

Units produced in year 2014	2,00,000	Units produced in year 2015	1,50,000
Units sold in year 2014	1,60,000	Units sold in year 2015	1,80,000
Stock as on 31.03.2014	68,000		

Prepare Income Statement for the two years under Absorption Costing.

B) Sonakshi Ltd Manufactures three electrical gadgets, the cost and selling price per unit is given below: **(7)**

	Product X Rs.	Product Y Rs.	Product Z Rs.
Sales (units)	5,560 units	2,000 units	4,000 units
Selling Price per unit	600	800	400
Cost per Unit:			
Direct Materials	250	300	150
Direct Labour	150	170	100
Variable Overheads	70	90	30
Fixed Cost (in amounts)	5,56,000	2,00,000	4,00,000

You are required to find out the profit of the company and which of these products is most profitable? Rank the products.

Q.5 Explain the following (any 3 out of 5) **(15)**

A) Essential of Financial Reports
B) Objectives of Corporate Reporting.
C) Advantages of Cost Audit
D) Function of Cost Audit
E) What are the content of Annual Reports?