

**B.C.A. DEGREE EXAMINATION, NOVEMBER 2018**  
**II YEAR IV SEMESTER**  
**Core Allied- Paper IV**  
**COST AND MANAGEMENT ACCOUNTING**

**Time : 3 Hours**

**Max.marks :75**

**Section A** ( $10 \times 2 = 20$ ) Marks

Answer any **TEN** questions

1. What is Cost accounting?
2. Why is cost sheet prepared?
3. Write a short note on Management accounting.
4. Give the meaning of financial accounting.
5. What do you mean by fund flow?
6. Write a note on Cash flow statement.
7. What is Break even analysis?
8. State the effect on working capital caused by the following:
  - (a) Increase in Cash Rs. 1,700
  - (b) Increase in Stock Rs. 1,600
  - (c) Decrease in Debtors Rs. 500
  - (d) Decrease in Creditors Rs. 2,500
9. Ascertain the amount of Profit or loss on sale of Machinery:

	Rs.
Cost of machinery sold	1,00,000
Accumulated depreciation on sold machinery	30,000
Sale value of machinery	85,000

10. Sales Rs. 50,000  
Fixed cost Rs. 10,000  
Profit Rs. 5,000  
Calculate variable cost.
11. Calculate Works cost:  
Factory expenses Rs. 700  
Office expenses Rs. 300  
Selling expenses Rs. 900  
Material consumed Rs. 3,400.

12. Fixed cost Rs. 8,000; Profit Rs. 2,000; BEP Rs. 40,000. Find the actual sales.

**Section B** ( $5 \times 5 = 25$ ) Marks

Answer any **FIVE** questions

13. Explain the objectives of Cost accounting.  
 14. Distinguish between Management accounting and Financial accounting.  
 15. Prepare a Cost sheet from the following:

	Rs.
Direct materials	50,000
Direct wages	15,000
Factory expenses	5,000
Office expenses	1,000
Selling expenses	500

16. Calculate funds from operation from the following Profit and Loss A/c:

Particulars	Rs.	Particulars	Rs.
To Expenses paid	3,00,000	By Gross profit	4,50,000
To Depreciation	70,000	By Gain on sale of land	60,000
To Loss on sale of machine	4,000		
To discount	200		
To Goodwill	20,000		
To Net profit	1,15,800		
	5,10,000		5,10,000

17. After taking into consideration the following items X Ltd., made a Net profit of Rs. 1,00,000 for the year ended 31.03.2016.

	Rs.		Rs.
Depreciation on Buildings	4,000	Goodwill written off	5,000
Depreciation on machinery	5,000	Loss on sale of machinery	10,000
Provision for taxation	10,000	Preliminary expenses	5,000
Gain on sale of building	8,000		

Find out cash from operation.

18. Calculate the Break-even point from the following particulars:  
 Fixed expenses Rs. 1,50,000; variable cost per unit Rs. 10; selling price per unit Rs. 15.  
 19. The Balance sheets of Mr. X Ltd. At the end of 2013 and 2014 are given below. You are required to prepare a schedule of changes in working capital.

Liabilities	2013(Rs.)	2014(Rs.)	Assets	2013(Rs.)	2014(Rs.)
Share capital	1,00,000	1,50,000	Land	1,00,000	1,00,000
Share premium	-	5,000	Plant at cost	1,04,000	1,00,000
General reserve	50,000	60,000	Furniture at cost	7,000	9,000
P&L A/c	10,000	17,000	Investment at cost	60,000	80,000
5% Debentures	70,000	50,000	Debtors	30,000	70,000
Prov. For Depreciation on plant	50,000	56,000	Stock	60,000	65,000
Prov. For Depreciation on furniture	5,000	6,000	Cash	30,000	45,000
Provision for taxation	20,000	30,000			
Creditors	86,000	95,000			
	3,91,000	4,69,000		3,91,000	4,69,000

**Section C** ( $3 \times 10 = 30$ ) Marks

Answer any **THREE** questions

20. From the following information prepare a cost sheet for the month of January:

	Rs.
Opening stock of raw materials	25,000
Closing stock of raw materials	26,200
Purchase of raw materials	21,900
Carriage on purchases	1,100
Sale of finished goods	72,300
Direct wages	17,200
Non-productive wages	800
Direct expenses	1,200
Factory overheads	8,300
Administrative overheads	3,200
Selling overheads	4,200

21. From the following two balance sheets you are required to prepare a statement of sources and application of funds:

liabilities	2104(Rs.)	2015(Rs.)	Assets	2014(Rs.)	2015(Rs.)
Share capital	40,000	45,000	Cash	30,000	47,000
Trade creditors	10,000	23,000	Debtors	1,20,000	1,15,000
P&L A/c	2,30,000	2,50,000	Stock in trade	80,000	90,000
			Land	50,000	66,000
	2,80,000	3,18,000		2,80,000	3,18,000

22. From the following Balance sheets of Geetha Ltd., you are required to prepare a cash flow statement:

Liabilities.	2016(Rs.)	2017(Rs.)	Assets.	2016(Rs.)	2017(Rs.)
Share capital	4,00,000	5,00,000	Cash	60,000	94,000
Trade creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
Profit & Loss A/c	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	5,60,000	6,36,000		5,60,000	6,36,000

23. From the following P&L A/c you are required to compute cash from operating activities:

Particulars	Rs.	Particulars	Rs.
To Salaries	5,000	By Gross profit	25,000
To Rent	1,000	By Profit on sale of land	5,000
To Depreciation	2,000	By Income tax refund	3,000
To Loss on sale of plant	1,000		
To Goodwill written off	4,000		
To Proposed dividends	5,000		
To Provision for taxation	5,000		
To Net profit	10,000		
	33,000		33,000

24. The fixed expenses of an industrial concern amount to Rs. 1,80,000. Its Variable cost per unit is Rs. 29 and Selling price is Rs. 44 per unit. Calculate the break-even point.