

B.C.A DEGREE EXAMINATION, APRIL 2019
II Year IV Semester
Cost and Management Accounting

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. Define Cost accounting.
2. What are "elements of cost"?
3. What is management accounting?
4. What is the scope of Management accounting?
5. What is working Capital?
6. What is fund from operation?
7. What is cash flow statement?
8. State the limitation of cash flow statement.
9. Calculate Break even point:
Fixed expenses Rs. 1,50,000
Variable cost per unit Rs. 10
Selling price per unit Rs. 15
10. What is P/V Ratio?
11. From the following information find out a) Break even point b) Margin of safety
Fixed cost Rs. 1,80,000 , Variable cost 3,00,000, Selling price Rs. 6 per unit,
Number of units sold 2,00,000.
12. Ascertain the changes in working capital from the following:
 1. Increase in some items of current assets Rs. 12,000
 2. Decrease in some items of current assets Rs. 9,000
 3. Increase in some items of current liabilities Rs. 10,000
 4. Decrease in some items of current liabilities Rs. 12,000.

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

Answer any **FIVE** questions

13. What are the advantages of cost Accounting?

14. What are the functions of management accounting?
15. Calculation of fund from operation from the following profit and loss Account.

Profit and Loss Account

Particulars	Amount	Particulars	Amount
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 Good will	20,000		
To Net profit	1,15,800		
	5,10,000		5,10,000

16. Calculate Cash from operation from the following:

Net profit for the year 2003 – 2004 Rs. 80,000

Depreciation written off on fixed assets Rs 11,000

Profit on sales of building Rs. 22,000

Loss on Sale of building Rs. 13,000

Increase in current Assets (except cash) Rs. 46,000

Increase in current liabilities Rs. 29,000

17. a) P/V Ratio

b) Profit when sales are Rs. 20,000

c) New break even point if selling price is reduced by 20%

Fixed expenses Rs. 4,000

BEP Rs. 10,000

18. Prepare 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

19. From the following two balance sheet you are required to prepare a statement of sources and application of funds.

Balance sheet

Liabilities	2001 Rs.	2002 Rs.	Assets	2001 Rs.	2002 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	80,000	90,000
			Land	50,000	66,000
	2,80,000	3,18,000		2,80,000	3,18,000

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

Answer any **THREE** questions

20. Distinguish between Financial Accounting and Cost Accounting.
21. What are the characteristics of Management accounting?
22. From the following Balance sheet of XYZ Ltd., prepare a funds flow statement.

Balance sheet

Liabilities	1992 Rs.	1993 Rs.	Assets	1992 Rs.	1993 Rs.
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
Pref. share capital	1,50,000	1,00,000	Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
P&LA/C	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for taxation	40,000	50,000	Cash at bank	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

Additional information

1. Depreciation Plant Rs. 10,000 and Building Rs. 20,000
 2. An interim dividend of Rs. 20,000 has been paid in 1993
 3. Income tax Rs. 35,000 was paid during 1993.
23. From the following Balance sheet of SVP Ltd., prepare a cash flow statement.

Balance sheet

Liabilities	1995 Rs.	1996 Rs.	Assets	1995 Rs.	1996 Rs.
Equity share capital	1,00,000	1,25,000	Building	1,00,000	95,000
General Reserve	25,000	30,000	Machinery	75,000	85,500
P&L A/c	15,250	15,300	Stock	50,000	37,000
Bank Loan	35,000	—	Debtors	40,000	31,100
Creditors	75,000	67,600	Investment	—	2,500
Provision for taxation	15,000	17,500	Cash in hand	250	300
			Cash at bank	—	4,000
	2,65,250	2,55,400		2,65,250	2,55,400

Additional information

1. Dividend of Rs. 11,000 was paid
2. Machinery was purchased for Rs. 15,000
3. Income tax paid during the year Rs. 16,500.

24. Reliance battery Co. Furnishes you the following information

Particulars	First year Rs.	Second year Rs.
Sales	8,10,000	10,26,000
Profit	21,000	64,800

From the above you are required to compute the following assuming that the fixed cost remains the same in both the periods.

- a) Profit volume ratio
- b) Fixed cost
- c) The amount of profit or loss when sales are Rs. 6,48,000
- d) The amount of sales required to earn a profit of Rs. 1,08,000
- e) Sales at Break even point