B.B.A. DEGREE EXAMINATION,APRIL 2019
II Year IV Semester
Accounting For Managers - II

Time : 3 Hours **Max.marks :75**

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

Answer any **TEN** questions

1. Define the term Budgeting.
2. Explain the objectives of budgetary control
3. What are the main objectives of cost Accounting?
4. State the elements of cost.
5. Define marginal costing.
6. Calculate Breakeven point from the following: Sales 1000 units at Rs.10 each Rs.10, 000; variable cost-Rs.6 p.u; Fixed cost-Rs.8, 000
7. Calculate P/V ratio: Sales-2, 00,000; variable cost -1, 20,000; fixed cost-50,000; Net profit-30,000
8. Sales-Rs.2, 00,000; Variable cost-Rs.1, 50,000; fixed cost-Rs.30, 000. Calculate P/V ratio if there is 25% increase in selling price.
9. Calculate MOS. Fixed cost-Rs.4, 500; Variable cost-Rs.7, 500; Sales-Rs.15, 000
10. Define Standard Costing.
11. What is Variance Analysis?
12. Ganesh purchased and used 800 tons of a chemical at Rs.40 per ton where as the standard price fixed was Rs.48 per ton. Calculate Material Price variance.

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

Answer any **FIVE** questions

13. State the advantages and limitations of budgetary control.
14. You are required to prepare a production budget for the half year ending June 2014 from the following information:

Product	Budgeted sales Quantity(units)	Actual stock on 31.12.2013	Desired stock on 30.6.2014
S	20,000	4,000	5,000
T	50,000	6,000	10,000

15. State the difference between cost accounting and management accounting.

16. From the following information relating to palani Bros., Your are required to find out

    a) P/V Ratio b) Break Even Point c) Profit d) Margin of safety e) Volume of sales to earn profit of Rs. 6,000.

Particulars	Amount (Rs)
Total Fixed Cost	4,500
Total Variable Cost	7,500
Total Sales	15,000

17. From the following data calculate:

    a) P/V Ratio; b) Variable Cost and c) Profit

Particulars	Amount (Rs)
Sales	80,000
Fixed Expenses	15,000
Break Even Point	50,000

18. From the following data forecast the cash position at the end of April , May& June 1998

Month 1998	Sales	Purchase	Wages	Sales Expenses
February	1,20,000	80,000	10,000	7,000
March	1,30,000	98,000	12,000	9,000
April	70,000	1,00,000	8,000	5,000
May	1,16,000	1,03,000	10,000	10,000
June	85,000	80,000	8,000	6,000

Further Information :

1. Sales at 10% realized in the month of sales. Balance equally realized in two subsequent months.
2. Purchases : Creditors are paid in the month following the month of supply
3. Wages :20% paid arrear in the following month
4. Sundary Expenses paid in the following month itself
5. Income tax 20,000 payable in June
6. Dividend Rs.12,000 payable in June
7. Income from investment Rs.2,000 Received half-yearly in march and September
8. Cash Balances on hand as on 1-4-88 Rs.40,000

19. Calculate material variances

	Standard	Actual
Quantity	400 kgs	460 kgs
Price	Rs.2 per kg	Rs.1.5 per kg
Value	Rs.800	Rs.690

Section C $(2 \times 15 = 30)$ Marks

Answer any **TWO** questions

20. Explain the classification of budgets.

21. Draw a flexible budget for the production at 75% and 100% capacity on the basis of the following data for a 50% activity

Particulars	Amount (per unit)
Materials	100
Labour	50
Variable expenses(Direct)	10
Administrative Expenses (50% Fixed)	40,000
Selling and Distribution Expenses (60 % fixed)	50,000
Present Production (50 % activity)	1,000 units

22. Two businesses of Nandha Ltd., and Devi Ltd, sell the same type of product in the same type of market. Their budgeted profit and loss account for the coming year are as follows

		Nandha Ltd.		Devi Ltd.
		Rs.		Rs.
Sales		1, 50,000		1,50,000
(-) Variable cost	1, 20,000		1,00,000	
Fixed cost	15,000	1,35,000	35,000	1,35,000
Budgeted Net profit		15,000		15,000

You are required to:

a. Calculate Breakeven point of each business

b. Calculate the sales volume at which each business will earn Rs.5, 000 profits.

23. The sales turnover and profit during two years were as follows:

Year	Sales(Rs.)	Profit(Rs.)
1991	1,40,000	15,000
1992	1,60,000	20,000

Calculate

(a) p/v ratio

(b) Breakeven point

(c) Sales required to earn a profit of rs.40,000

(d) Fixed expenses

(e) Profit when sales are Rs.1,20,000