

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS)  
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai — 600 044.

M.Com. - END SEMESTER EXAMINATIONS NOVEMBER - 2022  
SEMESTER - I

**20PCOCT1002 - Advanced Management Accounting and Decision Making**

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

**Section A**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. What are the difference between fund flow statement and cash analysis?
2. Explain the term budgetary control and its process.
3. Describe the term marginal costing and its features.
4. Describe the variance analysis and its uses.
5. Explain the Ratio analysis and its objectives.
6. From the following information prepare a cash budget for the months of June and July:

Month	Credit Sales Rs.	Credit Rs.	Manufacturing Overheads Rs.	Selling Overheads Rs.
April	80,000	60,000	2,000	3,000
May	84,000	64,000	2,400	2,800
June	90,000,	66,000	2,600	2,800
July	84,000	64,000	2,000	2,600

**Additional Information:**

1. Advance tax of Rs.4,000 payable in June and in December 1994.
2. Credit period allowed to debtors is two months.
3. Credit period allowed by the vendors or suppliers.
4. Delay in the payment of other expenses one month Opening balance of cash on 1<sup>st</sup> June is estimated as Rs.20,000.
7. A company produces 500 units at a variable cost of Rs.200 per unit. The price is Rs.250 per unit and there are fixed expenses of Rs.12,000 per month. Calculate Break-even point in terms of both units and sales. Also, show the profit at 90% capacity.
8. The following information is supplied to you:  
Standard time for a month : 4,000 Hours.  
Standard wage rate : Rs.2.25 per hour  
Number of labourers employed : 30  
Average working days in a month : 25  
No. of hours a worker works per day : 7 hours  
Total wage bill in a month : Rs.13,125  
You are required to calculate the following:  
a) Labour Cost Variance  
b) Labour Rate Variance.

**Contd...**

## Section B

### Part A

Answer any **TWO** questions ( $2 \times 10 = 20$  Marks)

9. Following are the balance sheet of a Ramlal & sons

Liabilities	1.1.20	31.12.20	Assets	1.1.20	31.12.20
Creditors	36,000	41,000	Cash	4,000	3,600
Loan form partner		20,000	Debtors	35,000	38,400
Loan from			Stock	25,000	22,000
bank	30,000	25,000	Land	20,000	30,000
capital	1,48,000	1,49,000	Building	50,000	55,000
			machinery	80,000	86,000

During the year Rs.26,000 paid as dividends. The provision for depreciation against machinery as on 1.1.2020 was Rs.27,000 and on 31.12.2020 Rs.36,000.

Prepare a cash flow statement.

10. The following is the balance sheet of a company as on 31<sup>st</sup> March:

Liabilities	Rs.	Assets	Rs.
Share capital	2,00,000	Land and	
P & L a/c	30,000	Building	1,40,000
General reserve	40,000	Plant and	
12% debentures	4,20,000	Machinery	3,50,000
Sundry creditors	1,00,000	Stock	2,00,000
Bills payable	50,000	Sundry Debtors	1,00,000
		Bills receivable	10,000
		Cash at bank	40,000

Calculate

- a) Current Ratio
- b) Quick Ratio
- c) Inventory to working capital
- d) Debt to Equity Ratio
- e) Proprietary Ratio

11. The expenses for budgeted production of 10,000 units in a factory are furnished below:

Particulars	Per Unit
material	70
Labour	25
Variable overheads	20
Fixed overheads (1,00,000)	10
Variable expenses (Direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (Rs.50,000)	5
Total cost per unit	155

Prepare a budget for production of:

1. 8,000 units
2. 6,000 units
3. Calculate the cost per unit at both levels

Assume that administration expenses are fixed for all level of production.

**Contd...**

SEMESTER - I

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12. The following data are available from the records of a company

Sales	60,000
Variables	30,000
Total cost	15,000

**You are required to:**

- (a) Calculate the P/V Ratio, Break-Even Point and Margin of Safety at this level.
- (b) Calculate the effect of 10% increase in sale price.
- (c) Calculate the effect of 10% decrease in sale price.

**Part B**

Compulsory question (1 × 10 = 10 Marks)

13. From the following information of a product calculate

- 1. Material cost variance
- 2. Material Price Variance
- 3. Material Usage variance
- 4. Material Mix variance
- 5. Material Sub-usage variance

Material	Standard quantity	Standard price	Actual quantity	Actual price
X	20	5	24	4.00
Y	16	4	14	4.50
z	12	3	10	3.25

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