

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.

B.C.A. - END SEMESTER EXAMINATIONS - NOV'2024
SEMESTER - IV

20UCAAT4004 - Cost and Management Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. Define cost accounting and list any Seven objectives.
2. Kala Ltd., has the following items as part of its Trial Balance on 31-12-2006 and 31-12-2007

	31-12-1997	31-12-1998
	(Rs.)	(Rs.)
Investments (long-term)	80,000	1,30,000
Land	1,30,000	80,000

During the year 2007, Land of the book value of Rs.80,000 was sold at a profit of 25% the profit was credited to capital reserve. Investments of the book value of Rs.30,000 were sold for 24,000. Dividend received on investments Rs.12,000 was credited to P&L A/c Prepare Investments account and Land account. Also, ascertain the effects of the above items on (a) Funds from operations and (b) Funds flow statement.

3. From the following P & L A/c you are required to compute cost from operating activities.

Profit and Loss Account for the Year ending 31-12-2006

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 Dividend	5,000		
To Provision for taxation	5,000		
To Net Profit	10,000		
	33,000		33,000

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4. Sales Rs.1,00,000; Profit Rs.10,000; Variable cost 70%
Find out
(a) P/V Ratio
(b) Fixed Cost
(c) Sales to earn profit of Rs.40,000
5. Sketch the objectives of Management Accounting.
6. Prepare schedule of changes in working capital from Balance Sheet below:

Liabilities	1989 (Rs.)	1990 (Rs.)	Assets	1989 (Rs.)	1990 (Rs.)
Share Capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6,000	Debtors	14,900	17,700
Creditors	10,360	11,840	Stock	49,200	42,700
Profit & Loss A/c	10,740	11,360	Goodwill	10,000	5,000
			Land	20,000	30,000
	1,03,100	1,03,200		1,03,100	1,03,200

7. Prepare a cash flow statement from Balance Sheet given below:

Liabilities	1987 (Rs.)	1988 (Rs.)	Assets	1987 (Rs.)	1988 (Rs.)
Share Capital	18,000	19,000	Cash	6,000	4,000
Creditors	6,400	7,600	Debtors	15,500	19,000
P&L A/c	2,900	3,500	Buildings	5,000	6,200
			Patent Rights	800	900
	27,300	30,100		27,300	30,100

8. The following figures are extracted from the books of manufacturing concern:

	Rs.
Direct Material	4,10,000
Direct Labour	1,50,000
Fixed Overheads	1,20,000
Variable overheads	2,00,000
Sales	10,00,000

You are required to calculate break-even point in terms of rupee sales and also effect on break-even point of an increase of 10% in (a) fixed overheads
(b) variable overheads

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. The following extract of costing information relates to commodity 'A' for the half year ending 31st December, 1997

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Particulars	Rs.
Purchase of Raw materials	1,20,000
Works overheads	48,000
Direct Wages	1,00,000
Carriage on purchases	1440
Stock on 1-7-1997 Raw materials	20,000
Finished Products(1000 tons)	16,000
Stock on 31-12-1997 Raw materials	22,240
Finished Products(2,000 tons)	32,000
Work-in-progress(1.7.97)	4,800
Work-in-progress(31.12.97)	16,000
Sales	3,00,000

Selling and distribution overheads are Re.1 per ton sold. 16,000 tons of commodity were produced during the period. You are to ascertain (i) Cost of raw materials used (ii) Cost of output for the period (iii) Cost of sales (iv) Net profit for the period and(v) Net profit per ton of the commodity.

10. Distinguish between management accounting and financial accounting.

11. Prepare a Funds Flow Statement from the following data

Liabilities	31-12-87 (Rs.)	31-12-88 (Rs.)	Assets	31-12-87 (Rs.)	31-12-88 (Rs.)
Equity Capital	10,000	10,600	Fixed Assets	10,000	11,600
Long Term Debt	2,800	2,600	Debtors	1,600	1,400
Retained Term Debt	5,600	7,400	Inventories	6,200	6,400
Accumulated Depreciation	4,200	5,000	Bill Receivable	4,800	5,400
Bill Payable	4,000	4,200	Cash	4000	5,000
	26,600	29,800		26,600	29,800

12. Following are the summarized Balance sheets of Arul Ltd., as on 31st Dec 2005 and 2006. Prepare Cash flow statement:

Liabilities	2005 (Rs.)	2006 (Rs.)	Assets	31-12-87 (Rs.)	31-12-88 (Rs.)
Share Capital	1,00,000	1,50,00	Land & Building	1,00,000	90,000
General Reserve	50,000	60,000	Plant & Machinery	1,00,000	1,19,000
P & L A/c	30,500	30	Stock	50,000	24,000
Bank Loan	70,000	–	Debtors	75,000	63,200
Sundry Creditors	50,000	37,200	Cash	500	1,000
Provision for Taxation	32,000	35,000	Bank	2,000	15,000
	3,32,500	3,12,200		3,32,500	3,12,200

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13. Two Companies S.V.P Ltd., and R.R.Ltd., producing and selling similar products forecast their Profit and Loss A/c for the next year, which is as follows:

	X Ltd.,		Y Ltd.,	
	Rs.	Rs.	Rs.	Rs.
Sales		3,00,000		3,00,000
Less: Variable cost	2,00,000		2,25,000	
Fixed Expenses	50,000	2,50,000	25,000	2,50,000
Profit		50,000		50,000

Calculate

- P/V Ratio; breakeven point and margin of safety for both the companies.
- Sales required to earn a profit of Rs. 30,000 for both companies
- Under the following situations, which company will show better results?
 - Increase in Sales
 - Decrease in Sales
