

1/04/2016



DOON UNIVERSITY, DEHRADUN
School of Management
Mid Term Examination, 2016
(IMBA-5 yrs 2nd Sem)
(IMBA 202) Management Accounting

Time Allowed: 2 Hours

Maximum Marks: 30

SECTION- A

(10*1=10)

1. Estimate the cash requirement of a Fruit Co. for June 2012 on the basis of data given below:

(i) Sales	February	-	Rs. 25,000
	March	-	Rs. 20,000
	April to June	-	Rs. 30,000 per month

Roughly half the sales are for cash. 90% of credit sales are collected in the month following the month of sale and the balance one month later.

(ii) Fruits are always bought for cash to avail of the cash discount of 5%. The purchase budget for the second quarter (April-June) was Rs. 15,000 per month @ Re. 1 per basket.

(iii) Wages and salaries for second quarter were budgeted at Rs. 5, 000 per month.

(iv) Manufacturing & other expenses for the quarter:

Cash expenses	-	Rs. 4500
Depreciation	-	Rs. 7500
Selling expenses	-	Rs. 3000
Administrative Expenses-		Rs. 2000 (in April & May only)

SECTION- B

(2.5*4=10)

2. Write short notes on any 4:

- (a) Marginal costing Vs Absorption Costing
- (b) Master budget
- (c) Sales budget
- (d) Types of cost
- (e) Break Even point

SECTION- C

(5*2=10)

Attempt any two:

3. From the following find out:

- (i) Profit-Volume ratio
- (ii) Break-even point

- (iii) Sales for 40% P/V ratio
- (iv) Margin of safety from the sales of Rs. 3,00,000
- (v) Net profit From the sales of Rs. 3,00,000

Position of a company for the year 2014 is as under:

	(Rs.)
Sales	2, 00,000
Variable overheads	<u>1, 50,000</u>
Gross profit	50,000
Fixed Overheads	<u>15,000</u>
Net profit	<u>35,000</u>

4. What do you understand by management accounting? How does it differ from financial accounting?
5. Define 'Budget', 'Budgeting' and 'Budgeting Control'. Mention the salient features of an effective budgeting system?
6. A factory is currently working to 50% capacity and produces 10,000 units. Estimate the profits of the company when it works at 60% & 80% capacity.
 - (i) At 60% working, raw material cost increases by 2% and selling price falls by 2%.
 - (ii) At 80% working, raw material cost increases by 5% and selling price falls by 5%.
 - (iii) At 50% capacity working, the product costs Rs. 180 per unit and is sold at Rs. 200 per unit. The unit cost of Rs. 180 is made up as follows:

	Rs.
Raw Material	100
Labor	30
Factory Overhead	30 (40% Fixed)
Administrative Overhead	20 (50% Fixed)