

M.O.P. VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS), CHENNAI – 34  
END SEMESTER EXAMINATION – MARCH / APRIL 2019  
FUNDAMENTALS OF COST AND MANAGEMENT ACCOUNTING/14UCOM342

Max Marks: 100

Duration: 3 Hrs

Section – A (10 x 3 = 30 Marks)  
Answer ALL questions

1. Define Cost Accounting.
2. Ascertain the value of raw materials purchased:
 

Materials Consumed	₹ 5,00,000
Opening Stock of Materials	₹ 50,000
Closing Stock of Materials	₹ 25,000
3. What is working capital?
4. Ascertain the amount of profit or loss on sale of machinery
 

Cost of machinery sold	₹ 1,00,000
Accumulated depreciation on sold machinery	₹ 30,000
Sale value of Machinery	₹ 85,000
5. What is Ratio?
6. From the following data, calculate gross profit ratio:
 

Sales	₹ 1,00,000
Sales Return	₹ 20,000
Cost of Sales	₹ 50,000
7. What is P/V Ratio?
8. Compute the contribution
 

Sales	₹ 4,00,000
Variable Cost	₹ 3,00,000
Fixed Cost	₹ 40,000
9. What is a Budget?
10. Prepare production budget for the quarter ending 31st March 2018:
 

Budgeted Sales for the Quarter	₹ 40,000
Stock on 1 <sup>st</sup> April 2017	₹ 8,000
Required Stock on 31 <sup>st</sup> March 2018	₹ 10,000

**Section – B (5 x 8 = 40 Marks)**  
**Answer any FIVE questions**

11. Explain the various elements of cost.
12. Prepare a Cost Sheet from the following data:

Particulars	Amount
Direct material Consumed	50,000
Direct wages paid	40,000
Direct Expenses	10,000
Indirect Materials used in Factory	8,000
Indirect Materials used in Office	12,000
Indirect Materials used in Selling	6,000
Indirect Materials used in Distribution	4,000
Indirect labour in Factory	15,000
Indirect labour in Office	20,000
Indirect labour in Selling	18,000
Indirect labour in Distribution	12,000
Indirect Expenses relating to factory	6,000
Indirect Expenses relating to Office	3,000
Indirect Expenses relating to Selling	1,000

13. Calculate funds from operation from the following Profit & Loss A/c.

**Profit and Loss Account**

Particulars	Amount	Particulars	Amount
To Expenses	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 on sale of machine	4,000		
To Discount	200		
To Goodwill (written off)	20,000		
To Net Profit	1,15,800		
	5,10,000		5,10,000

14. What are the uses and limitations of Ratio Analysis?
15. Suman Ltd., furnish the following information for the quarter ending 30<sup>th</sup> Sept 2007.  
 Calculate Net Profit Ratio:

Sales	₹ 5,00,000
Gross profit	₹ 2,60,000
Administrative Expenses	₹ 50,000

Selling Expenses	₹ 40,000
Goodwill	₹ 25,000
Financial Expenses	₹ 20,000
Capital	₹ 10,00,000
Buildings	₹ 5,00,000

16. The fixed expenses of an industrial concern amount to ₹ 1,80,000. Its variable cost per unit ₹ 29 and selling price is ₹ 44 per unit. Calculate the Break Even Point.

17. Vasanth Ltd presents the following results for One Year. Calculate P/V Ratio, BEP and Margin of Safety

Sales	₹ 2,00,000
Variable cost	₹ 1,20,000
Fixed Cost	₹ 50,000
Net Profit	₹ 30,000

18. A company at present operating at 50% capacity produces and sells 10,000 units. The unit cost is ₹ 180 and the selling price is ₹ 200. The expenses per unit are given below:

Direct Material	₹ 100
Direct Labour	₹ 30
Factory Expenses (60% Variable)	₹ 30
Administrative expenses (40% fixed)	₹ 20

Prepare a Flexible Budget at 80% capacity.

**Section – C (2 x 15 = 30 Marks)**  
**Answer any TWO questions**

19. A manufacturer presents the following details about the various expenses incurred by him.

	₹
Raw materials consumed	70,000
Carriage inwards	2,000
Factory Rent	2,400
Bad Debts	440
Printing and Stationery	620
Legal Charges	350
Carriage Outwards	1,540
Indirect Materials	560
Power	4,600
Depreciation on Furniture	160
Postage Expenses	465
Repairs of Plant and Machinery	1,200



Salesman's Expenses	3,400
Advertising	500
Direct Wages	85,000
General Manager's Salary	36,000
Factory Manager's Salary	18,000
Depreciation on Plant and Machinery	1,240
Audit Fees	350

Classify the above expenses under the various elements of cost showing separately the total expenditure under each element.

20. From the following Balance Sheets as on 31-12-2017 and 31-12-2018, prepare a Cash Flow Statement:

**Balance Sheets**

Liabilities	2017	2018	Assets	2017	2018
Share Capital	1,00,000	1,50,000	Fixed Assets	1,00,000	1,50,000
Profit & Loss A/c	50,000	80,000	Goodwill	50,000	40,000
General Reserve	30,000	40,000	Stock	30,000	80,000
6% Debentures	50,000	60,000	Debtors	50,000	80,000
Creditors	30,000	40,000	Bills Receivable	30,000	20,000
Outstanding Exp.	10,000	15,000	Bank	10,000	15,000
	2,70,000	3,85,000		2,70,000	3,85,000

21. From the following Balance Sheet, Calculate

- Current Ratio
- Liquid Ratio
- Debt – Equity Ratio
- Proprietary Ratio

**Balance Sheet as on 31.12.2018**

Liabilities	₹	Assets	₹
Share Capital	5,00,000	Fixed Assets	14,00,000
Reserves	3,00,000	Stock	5,00,000
6% Debentures	11,00,000	Debtors	2,00,000
Bank Overdraft	1,00,000	Cash	1,00,000
Creditors	2,00,000		
	22,00,000		22,00,000

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## SET A

M.O.P. VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS), CHENNAI – 34  
END SEMESTER EXAMINATION – APRIL 2021  
FUNDAMENTALS OF COST AND MANAGEMENT ACCOUNTING  
14UCOM342

Max Marks: 100  
Duration: 3 Hrs

Section – A (6 x 5 = 30 Marks)  
Answer any SIX questions

1. What are elements of cost?
2. Find out the amount of production overhead:

Office Stationery	5,000
Factory lighting	10,000
Works Manager's Salary	22,000
Indirect Materials	9,000
Audit fees	13,000
Foreman's salary	13,000
3. What is fund flow statement?
4. Calculate the value of furniture purchased from the following details.

Opening Balance	₹ 2,00,000
Closing Balance	₹ 3,00,000
Depreciation Charged	₹ 40,000
5. What are profitability ratios?
6. Find out the operating profit ratio and operating ratio:

Cost of goods sold	₹ 1,80,000
Other operating Expenses	₹ 30,000
Net Sales	₹ 3,00,000
7. Explain the meaning of Break Even Point
8. What is break even point when P/V Ratio is 40% and fixed cost is ₹ 5,00,000
9. What is Flexible Budget?
10. What will be the Budgeted sales for 2021 based on the following?

Sales for 2020: 20,000 units at ₹ 40 each. Expected rise in sales quantity is 15 % over those of 2020.
Additional volume budgeted to be achieved through special sales promotion drive: 5,000 units.
Selling price to be increased by 5%

Section – B (4 x 10 = 40 Marks)  
Answer any FOUR questions

11. Distinguish between Cost and Management Accounting
12. M/s Indu Industries Ltd., are the manufacturers of moonlight torches. The following data relate to manufacture of torches during the month of March 2019.

Raw materials consumed	₹ 20,000
Direct wages	₹ 12,000
Machine hours works	9,500 hours
Machine hour rate	₹ 2
Office overheads	20% of works cost
Selling overheads	50 paise per unit



Units produced	20,000 units
Units sold	18,000 @ ₹ 5 per unit.

Prepare cost sheet showing the cost and the profit per unit and the total profit earned

13. Calculate funds from operation from the following Profit & Loss A/c.

Particulars	₹	Particulars	₹
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 Goodwill	20,000		
To Net Profit	1,15,800		
	5,10,000		5,10,000

14. What are the uses and limitations of ratio analysis?

15. A trader purchases goods both on cash as well as on credit terms. The following particulars are obtained from the books:

Total Purchases (Gross)	₹ 2,00,000s
Cash Purchases	₹ 20,000
Purchases Return	₹ 34,000
Creditors at the end	₹ 70,000
Bills payable at the end	₹ 40,000

You are required to

- Calculate Creditors turnover Ratio
- Calculate average payment period

16. (a) Calculate Break Even Point from the following

Sales 1,000 units at ₹ 10 each ₹ 10,000

Variable Cost – ₹ 6 per unit

Fixed Cost – ₹ 8,000

(b) If the selling price is reduced to ₹ 9, what will be the new Break Even Point?

17. From the following information relating to Rama Ltd., you 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 ₹ 6,000

Total Fixed Cost ₹ 4,500

Total Variable Cost ₹ 7,500

Total Sales ₹ 15,000

18. Khusal Products produces and sells a product for which total capacity of 2,000 units exists. The following expenses are for the production of 1,000 units of the product which is sold at ₹ 130 per unit.

	Per Unit
Direct materials	20
Direct wages	30
Administration overheads(Constant)	20
Selling Expenses (50% Fixed)	10
Distribution Expenses (75% Variable)	20
	<u>100</u>

You are required to prepare a flexible budget for the production and sales of 1,200 units; 1,600 units and 2,000 units, showing clearly the marginal (Variable) cost and total cost at each level.

## SET A

### Section – C (1 x 30 = 30 Marks) Answer any ONE question

19. The accounts of a machine manufacturing company disclose the following information for 6 months 31<sup>st</sup> Dec.

Materials Used	₹ 1,50,000
Direct wages	₹ 1,20,000
Factory Overheads	₹ 30,000
Administrative expenses	₹ 15,000

Prepare the cost sheet for the half year and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at ₹ 1,250 and expenditure in productive wages ₹ 750, so that the price might yield a profit of 20% on the selling price.

20. From the following Trading and Profit & Loss A/c of Yamuna Ltd. You are required to ascertain Net Cash from operating activities.

#### Trading and Profit & Loss A/c for the year ended 31.03.2021

Particulars	₹	Particulars	₹
To Cost of goods Sold	2,40,000	By Sales	4,00,000
To Gross Profit c/d	1,60,000		4,00,000
	4,00,000	By Gross Profit b/d.	1,60,000
To Stationery	6,000		
To Depreciation	14,000		
To Salaries	20,000		
To Loss on sale of Investment	2,000		
To Rent & Taxes	8,000		
To Discount on issue of Debentures	4,000		
To Postage	3,000		
To Provision for Tax	20,000		
To Proposed Dividend	10,000		
To Net Profit	73,000		
	1,60,000		1,60,000

21. From the following balance sheet calculate  
(a) Current Ratio (b) Liquid Ratio (c) Debt Equity Ratio (d) Fixed Asset Ratio  
(e) Proprietary Ratio

#### Balance Sheet of Raman Ltd. as on 31.12.2020

Liabilities	₹	Assets	₹
Equity Share Capital	2,00,000	Goodwill	1,20,000
Reserves	40,000	Fixed Assets	2,80,000
Profit and Loss A/c.	60,000	Stock	80,000
Secured Loans	1,60,000	Debtors	40,000
Creditors	1,00,000	Bills Receivable	20,000
Provision for Tax	40,000	Cash	60,000
	6,00,000		6,00,000

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## SET B

M.O.P. VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS), CHENNAI – 34  
END SEMESTER EXAMINATION – APRIL 2021  
FUNDAMENTALS OF COST AND MANAGEMENT ACCOUNTING  
14UCOM342

Max Marks: 100  
Duration: 3 Hrs

Section – A (6 x 5 = 30 Marks)  
Answer any SIX questions

1. State the objectives of Management Accounting.
2. Calculate Profit when cost price is ₹ 30,375 and profit is 10% on sales.
3. What are the uses of Funds Flow Statement?
4. Calculate Funds from operation from the following particulars:
  - a. Net Profit for the year ₹ 6,50,000
  - b. Profit on sale of building ₹ 40,000
  - c. Goodwill written off during the year ₹ 10,000
  - d. Old machinery worth ₹ 8,000 has been sold for ₹ 6,500
  - e. Depreciation has been provided on plant at 20% per year. The value of plant is ₹ 5,00,000.
5. What is the significance of Liquidity Ratios?
6. Sales ₹ 8 Crores; Cost of Goods Sold ₹ 4 Crores; Selling & Administration Expenses ₹ 2 crores. Compute: a. Gross Profit Ratio and b. Operating Ratio
7. What is Key Factor?
8. Find out variable cost when Sales is ₹ 4,00,000 and PV Ratio: 25%
9. Write a note on Zero Base Budgeting.
10. With the following data for 60% activity, prepare a budget for 80% activity. Materials ₹ 10 per unit; Wages ₹ 6 per unit; Factory overheads ₹ 6,000 (20% Fixed) Administration OH ₹ 2,400 (10% Variable).  
Assume that production at 60% capacity is 240 units.

Section – B (4 x 10 = 40 Marks)  
Answer any FOUR questions

11. Explain the differences between Cost & Financial Accounting.
12. Prepare a statement showing cost and profit from the following details:

Raw Material Consumed	₹15,000	Office OHs – 20% of works cost
Direct Wages	₹9,000	Selling OHs – 0.50 paise per unit sold
Machine hours worked	900	Units produced 17,100
Machine Hour rate	₹5	Units Sold 16,000 @ ₹ 4 per unit



13. The Balance Sheet of M Ltd. at the end of 2019 and 2020 are given below:

Balance Sheet					
Liabilities	2019	2020	Assets	2019	2020
Equity Capital	5,00,000	5,00,000	Fixed Assets	6,00,000	7,00,000
Debentures	3,70,000	4,50,000	Long term investments	2,00,000	1,00,000
Tax Payable	77,000	43,000	Work in progress	80,000	90,000
Creditors	96,000	1,92,000	Stock	1,50,000	2,25,000
Dividend Payable	87,000	80,000	Debtors	70,000	1,40,000
			Cash	30,000	10,000
	11,30,000	12,65,000		11,30,000	12,65,000

Prepare a statement of changes in working capital.

14. List the advantages and limitations of ratio analysis.
15. From the following Balance Sheet, Calculate a. Current Ratio; b. Liquid Ratio c. Debt-Equity Ratio d. Proprietary Ratio

Balance Sheet

Liabilities (₹)		Assets (₹)	
Share Capital	5,00,000	Fixed Assets	14,00,000
Reserves	3,00,000	Stock	5,00,000
6% Debentures	11,00,000	Debtors	2,00,000
Bank Over Draft	1,00,000	Cash	1,00,000
Creditors	2,00,000		
	22,00,000		22,00,000

16. You are given the following data for the year 2020 for a factory:
- Output – 40,000 units; Fixed Expenses ₹ 2,00,000; Variable Cost per unit ₹ 10; Selling Price per unit ₹ 20. How many units must be produced and sold in the year 2021, if it is anticipated that selling price would be reduced by 10%, variable cost per unit would be ₹ 12 per unit and fixed cost will increase by 10%. The factory would like to make a profit in 2021 equal to that of the profit in 2020.

17. The sales turnover and profit during 2 years were as follows:

Year	Sales (₹)	Profit (₹)
2018	1,50,000	20,000
2019	1,70,000	25,000

You are required to calculate:

1. PV Ratio
2. Break-even point
3. Sales required to earn a profit of ₹ 40,000
4. Profit when Sales are ₹ 2,50,000
5. Margin of safety at a profit of ₹ 50,000

## SET B

18. Prepare production budget for 3 months ending 30<sup>th</sup> June 2019 from the following:

Months	Expected Sales units
April	1,40,000
May	1,60,000
June	1,30,000
July	1,20,000

It is the policy of the company to maintain 50% of the month's sales as opening stock.

### Section – C (1 x 30 = 30 Marks)

Answer any ONE question

19. From the following data, prepare a cost statement for the year 2020.

Opening Stock of raw materials	35,000	Purchase of Material	52,500
Closing stock of Raw Materials	4,900	Wages	95,000
Opening stock of finished goods	-	Factory expenses	17,500
Closing stock of finished goods	35,000	Establishment Expenses	10,000
No: of units manufactured	4,000	Sales	1,89,000

The Company wants to quote for a contract in 2021 to supply 1,000 units. The cost of materials is expected to increase by 15% and wages to increase by 10%.

Prepare a statement showing the price to be quoted to give the same percentage of net profit on turnover as was realized during the year 2020, assuming that the cost per unit of overhead charges will be the same as in 2020.

20. The summarized Balance Sheet of K Ltd., as on 31.12.2019 and 31.12.2020 are as follows:

#### Balance Sheet

Liabilities	2019	2020	Assets	2019	2020
Share Capital	4,50,000	4,50,000	Fixed Assets	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
P & L A/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Tax Provision	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage loan	-	2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Additional Details:

- Investments costing ₹ 8,000 were sold for ₹ 8,500.
- Tax Provision made during the year was ₹ 9,000
- During the year part of the fixed assets costing ₹ 10,000 was sold for ₹ 12,000 and the profit was included in P & L Account.

Prepare Cash Flow Statement for 2020.



## SET B

21. Given below is the summarised Balance Sheet & Profit & Loss Account of RSM Ltd. As on 31/12/2020. You are required to calculate:

- a. Current Ratio b. Quick Ratio c. Fixed Asset Ratio d. Debt Equity Ratio e. Proprietary Ratio f. Stock Turnover Ratio g. Fixed Asset Turnover Ratio h. Return on Capital Employed i. Debtors Turnover Ratio j. Creditors Turnover Ratio k. Net Profit Ratio l. Operating Ratio

**Balance Sheet as on 31/12/2020**

Liabilities (₹)		Assets (₹)	
Issued Capital; 40,000 shares @ ₹100	40,00,000	Land & Building	30,00,000
Reserves	18,00,000	Plant & Machinery	16,00,000
Creditors	26,00,000	Stock	29,60,000
Profit & Loss Account	6,00,000	Debtors	14,20,000
6% Debentures	6,00,000	Cash at Bank	6,20,000
	96,00,000		96,00,000

**Profit & Loss Account**

Particulars		Particulars	
To Opening Stock	19,90,000	By Sales	1,70,00,000
To Purchases	1,09,05,000	By Closing Stock	29,80,000
To Direct Expenses	2,85,000		
To Gross Profit	68,00,000		
	1,99,80,000		1,99,80,000
To Admn. Exp.	30,00,000	By Gross Profit b/d	68,00,000
To Selling & Dist. Exp	6,00,000	By Non operating Income	1,80,000
To Financial Expenses	3,00,000		
To Other non operating exp.	80,000		
To Net Profit	30,00,000		
	69,80,000		69,80,000

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M.O.P. VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS)  
CHENNAI – 600 034

I INTERNAL ASSESSMENT – JANUARY 2024

Programme: II B.C.A	Batch :2022-2025	Semester : IV
Course Title : Fundamentals of Cost and Management Accounting	Course Code: 21UCOM326	
Duration : 1 ½ hours	Maximum Marks: 50	

Answer Any Five Questions ( $5 \times 10 = 50$  marks)

Define the merits and demerits of Cost Accounting (K4, CO1)  
Construct cost sheet for the month of January from the following information (K3, CO1)

Particulars	Rs.
Stock of raw materials on 1 <sup>st</sup> January	25,000
Stock of raw materials on 31 <sup>st</sup> January	26,200
Purchase of raw materials	21,900
Carriage on purchases	1,100
Sale of finished goods	72,300
Direct wages	17,200
Non-productive wages	800
Direct expenses	1,200
Factory overheads	8,300
Administrative overheads	3,200
Selling overheads	4,200

A Manufacturing company showed the following details for the year. (K3, CO1)  
Material used 8,75,000; works overhead expenses 1,85,265; Wages 6,75,000;  
Establishment expenses 1,16,250.

Show the works cost and total cost, the percentage that the works overhead cost bears to the wages and the percentage that the establishment expenses bears to the works cost. What price should the company quote to manufacture a machine which would require an expenditure of Rs. 7,500 in materials and Rs. 6,000 in wages so, that it may yield a profit of 25% on the total cost?



4. From the following particulars of a manufacturing company show a cost statement (K3, CO1)

Productive wages	2,50,000
Finished goods sold	12,00,000
Works overhead charges	75,000
Stock of materials on 1st Jan. 1994	20,000
Purchase of materials in January	5,50,000
Stock of finished goods on 1st Jan 1994	25,000
Office and general expenses	50,000
Stock of materials on 31st Jan. 1994	70,000
Stock of finished goods on 31st Jan. 1994	30,000

- Cost of materials used
- Prime cost
- Works cost
- Percentage of works overhead to productive wages
- Cost of production
- Percentage of general overheads to works cost and
- Net Profit

5. M/s. Indu Industries Ltd., are the manufactures of moonlight Torches. The following data relate to manufacture of Torches during the month of March 2009

Particulars	
Raw material consumed	Rs. 20,000
Direct wages	Rs. 12,000
Machine hour worked	9500 hours
Machine hour rate	Rs.2
Office overheads	20% on work cost
Selling overheads	50 paise per unit
Units produced	20,000
Units sold	18,000 @ Rs.5 per unit

Prepare a cost sheet showing the cost and profit per unit and total profit earned. (K6, CO1)

- Distinguish between cost accounting and financial accounting (K4, CO1)
- Plan your quotation from the following particulars extracted for the year 2011

Particulars	Rs.
Cost of materials	6,00,000
Wages	5,00,000
Factory overheads	3,00,000

Administration charges	3,36,000
Selling charges	2,24,000
Distribution	1,40,000
Profit	4,20,000

A work order has to be executed in 2009 and the estimated expenses are:  
Materials Rs.8,000, Wages Rs. Rs.5,000

Assuming that in 2012, the rate of factory overheads has gone up by 20%,  
distribution charges have gone down by 10% and selling and administration  
charges have gone each up by 15%, at what price should the product be sold  
so as to earn the same rate of profit on the selling price as in 2011?  
Factory overheads are based on wages and administration, selling and  
distribution overheads on works cost. (K6, CO1)

A company has received an enquiry for the supply of steel of 10,000 steel  
folding chairs. The costs are estimated as follows:

Raw materials	1, 00, 000 Kgs at Rs. 1 per Kg.
Direct wages	10, 000 hours at Rs. 4 per hour
Variable overheads:	
Factory	Rs. 2.40 per labour hour
Selling & Distribution	Rs. 16, 000
Fixed overheads:	
Factory	Rs. 6, 000
Selling & Distribution	Rs. 14, 000

Prepare a statement showing the price to be fixed, which will result in a  
profit of 20% on the selling price. (K6, CO1)

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**M.O.P. VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS)**  
**CHENNAI – 600 034**

**I INTERNAL ASSESSMENT EXAMINATION – MARCH 2022**

Programme: B.C.A	Batch: 2020-2023	Semester: IV
Course Title: Fundamentals of Cost and Management Accounting	Course Code: 14UCOM342	
Duration: 1 ½ Hrs	Maximum Marks: 50	

Question No	Question	K Level (K1 – K6)	(CO) (CO1, CO2, CO3)
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**SECTION – A (4 X 3 = 12 Marks) Answer All Questions**

1	What is Cost accounting?	K1	CO1
2	Distinguish between cost accounting and financial accounting (any 3 points)	K2	CO1
3	What are profitability ratios? List them.	K1	CO3
4	Explain operating and non-operating expenses	K2	CO3

**SECTION – B (3 X 8 = 24 Marks) Answer any THREE Questions**

5	Construct cost sheet for the month of January from the following information  <div style="display: flex; justify-content: space-between;"> <div> <b>Particulars</b>  Stock of raw materials on 1<sup>st</sup> January  Stock of raw materials on 31<sup>st</sup> January  Purchase of raw materials  Carriage on purchases  Sale of finished goods  Direct wages  Non-productive wages  Direct expenses  Factory overheads  Administrative overheads  Selling overheads </div> <div> <b>Rs.</b>  25, 000  26, 200  21, 900  1, 100  72, 300  17, 200  800  1, 200  8, 300  3, 200  4, 200 </div> </div>	K3	CO1
6	Outline the advantages of Management Accounting	K4	CO1
7	A company has received an enquiry for the supply of steel of 10,000 steel folding chairs. The costs are estimated as follows:	K3	CO1

	<p>Raw materials 1, 00, 000 Kgs at Rs. 1 per Kg.  Direct wages 10, 000 hours at Rs. 4 per hour  Variable overheads: Factory Rs. 2.40 per labour hour  Selling &amp; Distribution Rs. 16, 000  Fixed overheads: Factory Rs. 6, 000  Selling &amp; Distribution Rs. 14, 000</p> <p>Prepare a statement showing the price to be fixed, which will result in a profit of 20% on the selling price.</p>																																														
8	<p>Calculate the following ratios:</p> <p>a) Gross Profit ratio  b) Net Profit ratio  c) Operating ratio  d) Operating profit ratio</p> <p style="text-align: center;"><b>Profit &amp; Loss Account</b></p> <table border="1"> <thead> <tr> <th>Particulars</th><th>Rs.</th><th>Particulars</th><th>Rs.</th></tr> </thead> <tbody> <tr> <td>To Opening stock</td><td>1,00,000</td><td>By Sales</td><td>5,60,000</td></tr> <tr> <td>To Purchases</td><td>3,50,000</td><td>By Closing stock</td><td>1,00,000</td></tr> <tr> <td>To Wages</td><td>9,000</td><td></td><td></td></tr> <tr> <td>To Gross Profit c/d</td><td>2,01,000</td><td></td><td></td></tr> <tr> <td></td><td>6,60,000</td><td></td><td>6,60,000</td></tr> <tr> <td>To Administrative expenses</td><td>20,000</td><td>By Gross Profit b/d</td><td>2,01,000</td></tr> <tr> <td>To Selling and distribution expenses</td><td>89,000</td><td>By Interest on investments (outside business)</td><td>10,000</td></tr> <tr> <td>To non-operating expenses</td><td>30,000</td><td>By Profit on sale of investments</td><td>8,000</td></tr> <tr> <td>To Net Profit</td><td>80,000</td><td></td><td></td></tr> <tr> <td></td><td>2,19,000</td><td></td><td>2,19,000</td></tr> </tbody> </table>	Particulars	Rs.	Particulars	Rs.	To Opening stock	1,00,000	By Sales	5,60,000	To Purchases	3,50,000	By Closing stock	1,00,000	To Wages	9,000			To Gross Profit c/d	2,01,000				6,60,000		6,60,000	To Administrative expenses	20,000	By Gross Profit b/d	2,01,000	To Selling and distribution expenses	89,000	By Interest on investments (outside business)	10,000	To non-operating expenses	30,000	By Profit on sale of investments	8,000	To Net Profit	80,000				2,19,000		2,19,000	K3	CO3
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9	<p>Analyse and ascertain closing debtors from the following data:</p> <p>Total Sales Rs. 40,00,000, Cash Sales Rs. 4,00,000  Debtors collection period 60days (360days year)  Closing bills receivable Rs. 10,000</p>	K4	CO3																																												
<b>SECTION - C (1 X 14 = 14 Marks) Any One Question</b>																																															
10	<p>Generate summarised Balance Sheet of ABC Co Ltd., from the following given ratios for the year ended 31-12-2005</p> <p>a) Working capital Rs. 60,000  b) Reserves and surplus Rs. 40,000  c) Bank overdraft Rs. 10,000  d) Asset (Fixed) proprietorship ratio 0.75  e) Current ratio 2.50  f) Liquid ratio 1.50</p>	K6	CO2																																												
11	<p>Plan your quotation from the following particulars extracted for the year 2011:</p>	K6	CO1																																												



	Rs.
Cost of materials	6,00,000
Wages	5,00,000
Factory overheads	3,00,000
Administration charges	3,36,000
Selling charges	2,24,000
Distribution	1,40,000
Profit	4,20,000

A work order has to be executed in 2009 and the estimated *expenses* are:

Materials Rs.8,000, Wages Rs. Rs.5,000

Assuming that in 2012, the rate of factory overheads has gone up by 20%, distribution charges have gone down by 10% and selling and administration charges have gone each up by 15%, at what price should the product be sold so as to earn the same rate of profit on the selling price as in 2011?

Factory overheads are based on wages and administration, selling and distribution overheads on works cost.



D352

**M.O.P. VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS)**  
**CHENNAI - 600 034**  
**INTERNAL ASSESSMENT - FEBRUARY/MARCH 2024**

Year & Programme: II B.C.A	Batch :2022-2025	Semester : IV
Course Title : Fundamentals of Cost and Management Accounting	Course Code: 21UCOM326	
Duration : 1 ½ hours	Maximum Marks: 50	

**SECTION A (4 × 3 = 12 marks)**

**Answer All the Questions**

- Compare and State the effect on working capital caused by the following (K2, CO2)
  - Increase in cash Rs. 1,700
  - Increase in stock Rs. 1,600
  - Decrease in Debtors Rs. 500
  - Decrease in Creditors Rs. 2,500
- Standard time per piece = 12 hours  
Time worked x = 9 hours y = 8 hours  
Workers hourly rate = 0.50  
Estimate the earnings of x and y under the Rowan plan (K2, CO3)
- List the cash flows resulting from the 'Investing activities' of a firm (K1, CO2)
- Write a brief note on EOQ (K1, CO3)

**SECTION B (3 × 8 = 24 marks)**

**Answer any Three Questions**

5. Two components X and Y are used as follows

Minimum usage	50 units per weeks each
Maximum usage	150 units per weeks each
Normal usage	100 units per weeks each
Ordering quantities	X - 600 units Y - 1,000 units
Delivery period	X- 4 to 6 weeks Y- 2 to 4 weeks
Maximum reorder period for emergency purchases	X- 2 weeks Y- 2 weeks

Calculate for each component (a) Reordering level, (b) Maximum level, (c) Minimum level, (d) Danger level. (K3, CO3)

6. Analyse cause for and effect of Labour Turnover (K4, CO3)

7. From the following particulars calculate the earnings of A and B under Rowan Plan and

Rowan Plan: (K3, CO3)

Standard time 10 hours

Time rate Re. 1 per hour

Time taken 9 hours by A

8 hours by B

8. After taking into consideration the following items X Ltd., made a Net Profit

1,00,000 for the year ended 31.3.2001



Particulars	Amount	Particulars	Amount
Depreciation on Buildings	4,000	Goodwill written off	5,000
Depreciation on Machinery	5,000	Loss on sale of Machinery	10,000
Provision for Taxation	10,000	Preliminary Expenses	5,000
Gain on Sale of Buildings	8,000		

Compute Cash from Operating Activities (K3,CO2)

9. Distinguish between Cash Flow Statement and Fund Flow Statement (K4,CO2)

### SECTION C (1×14 = 14 marks)

Answer Any One Question

10. Following are summarised Balance Sheets of A & Co. Ltd., as on 31<sup>st</sup> December 1986 and 1987.

Balance Sheets					
Liabilities	1986	1987	Assets	1986	1987
Share capital	1,00,000	1,50,000	Land & Buildings	1,00,000	90,000
General Reserve	50,000	60,000	Plant & Machinery	1,00,000	1,19,000
Profit & loss A/c	30,500	30,000	Stock	50,000	24,000
Bank Loan	70,000	-	Debtors	75,000	63,000
Sundry Creditors	50,000	37,200	Cash	500	1,200
Provision for tax	32,000	35,000	Bank	2,000	15,000
			Goodwill	5,000	-
	3,32,500	3,12,200		3,32,500	3,12,200

Additional Information:

- Dividend of Rs. 23,000 was paid during 1987
- Depreciation written off on buildings Rs. 10,000 and Machinery Rs. 14,000
- Income tax paid during the year ended 31<sup>st</sup> December 1987 Rs. 28,000.

Manage a Fund Flow Statement for the year 1987 (K6,CO2)

11. Formulate stores ledger account under (i) FIFO (ii) LIFO method from the following particulars. (K6,CO3)

March 2nd Purchases 200 units @ Rs.200  
 4th Issued 150 units  
 6th Purchases 200 units @ Rs.220  
 10th Issued 100 units  
 16th Purchases 200 units @ Rs.210  
 18th Issued 220 units  
 24th Purchases 150 units @ Rs.230  
 25th Issued 190 units  
 28th Issued 30 units

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