

2022

Time - 3 hours

Full Marks - 80

Answer all groups as per instructions.

Figures in the right hand margin indicate marks.

*Candidates are required to answer
in their own words as far as practicable.*

GROUP – A

1. Fill in the blanks. (all) [1 × 12
- (a) Management Accounting is concerned with _____.
- (b) Cash flow statement indicates change in _____.
- (c) Working capital is the difference of current asset and _____.
- (d) Interest received by financial enterprise is a _____.
- (e) Absorption costing is a _____ technique.
- (f) Margin of safety is the ratio between _____ and P/V ratio.
- (g) _____ is a plan expressed in quantitative / monetary terms.

[2]

- (h) Idle time variance is always _____.
- (i) _____ budget shows the anticipated sources and utilisation of cash.
- (j) Management Accounting is helpful in increasing _____.
- (k) _____ is the change in aggregate cost if the volume of output is increased by one unit.
- (l) Material cost variance is the difference of standard material cost and _____.

GROUP – B

2. Answer any eight of the following questions within two to three sentences each. [2 × 8

- (a) What do you mean by solvency ratio ?
- (b) Define cash flow from financing activity.
- (c) What is margin of safety ?
- (d) Write any three importances of Management Accounting.
- (e) What is angle of incidence ?
- (f) What is Fixed Budget ?
- (g) What do you mean by period cost ?
- (h) What is labour cost variance ?
- (i) State any three roles of management accountant.

- (j) Calculate Debtors turn over ratio when revenue from operation ₹ 25,000, sales return ₹ 1,000, sundry debtors ₹ 3,000 and bills receivable ₹ 2,000.

GROUP – C

3. Answer any eight of the following questions within 75 words each.

[3 × 8

- (a) Distinguish between Financial Accounting and Management Accounting.
- (b) What do you mean by cash flow statement ?
- (c) What is meant by ratio analysis ?
- (d) What is Absorption costing ?
- (e) What is break even analysis ? Show the break even chart with imaginary figure.
- (f) Briefly explain the zero base budgeting ?
- (g) Distinguish between fixed Budget and flexible Budget.
- (h) Determine the revenue from operation of a firm when current ratio : 2.5, Acid test ratio : 1.5, current liabilities ₹ 2,00,000 and inventory turnover ratio : 5 times.
- (i) Explain the limitations of Management Accounting.

[4]

(j)

Details of Cost	Planned at 6,000 direct repair hours	Planned at 9,000 direct repair hours
Employee salaries	30,000	30,000
Indirect repair materials	40,200	60,300
Miscellaneous expenses	13,200	16,800

Prepare a flexible budget for the department upto activity level of 10,000 repair hours.

GROUP – D

Answer any four questions within 500 words each.

4. Define Management Accounting. Discuss in detail the functions of Management Accounting. [7]
5. How does Management Accounting differ from Cost Accounting. What are the objectives of Management Accounting ? [7]
6. What is the purpose of preparing cash flow statement ? Prepare a format of indirect method of cash flow statement. [7]
7. The ratio relating to Ashok Ltd. are given as follows : [7]

Stack velocity : 6 months

Debtors velocity : 2 months

Gross profit ratio : 20%

[5]

Fixed Asset turnover ratio : 4

Creditors Velocity : 73 days

Gross profit was ₹ 60,000. Closing stock was ₹ 5,000 more than opening stock.

Calculate :

(a) Purchases

(b) Debtors

(c) Creditors

(d) Fixed Asset

(e) Closing Stock

8. What do you mean by budgetary control ? What are the objectives of budgetary control ? [7]

9. [7]

Year	Sales (₹)	Profit (₹)
2020	1,20,000	8,000
2021	1,40,000	13,000

Find out :

(a) P/V ratio

(b) Break even point

(c) Profit when sales are ₹ 1,80,000

P.T.O.

[6]

(d) Sales required to earn a profit of ₹ 20,000

(e) Margin of safety in the year 2021.

10. The standard mix to produce one unit of product is as follows :

[7

Material A 60 units @ ₹ 15 per unit : 900

Material B 80 units @ ₹ 20 per unit : 1,600

Material C 100 units @ ₹ 25 per unit : 2,500

240 units

5,000

During the month of May, 10 units were actually produced. Consumption was as follows :

Material A 640 units @ ₹ 17.50 per unit : 11,200

Material B 950 units @ ₹ 18.00 per unit : 17,100

Material C 870 units @ ₹ 27.50 per unit : 23,925

2460 units

52,225

Calculate all material variances.