

**2015**

Time : 3 hours

Full Marks : 80

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

*The figures in the margin indicate full marks.*

*Answer from both the Groups as directed.*

**Group – A**

**(Objective Type Questions)**

Answer all questions of the following :

1. Choose the correct answer of the following :  
2x10 = 20
  - (a) The use of Management Accounting is :
    - (i) Compulsory
    - (ii) Obligatory
    - (iii) Optional
  - (b) Which of the following is the non current asset ?
    - (i) Goodwill

- (ii) B/R
  - (iii) P. P. Expenses
  - (iv) Debtors
- (c) Purchase of goodwill by issue of debenture is :
- (i) Application of Funds
  - (ii) Source of Fund
  - (iii) No flow of Fund
- (d) Increase in share premium is :
- (i) Source of cash
  - (ii) Application of cash
  - (iii) None of these
- (e) Period cost are :
- (i) Overhead costs
  - (ii) Prime costs
  - (iii) Variable costs
  - (iv) Fixed costs
- (f) Indirect materials are :
- (i) A prime cost
  - (ii) A fixed cost

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Contd.

- (iii) An irrelevant cost
  - (iv) A factory overhead cost.
- (g) Fixed cost per unit increases when :
- (i) Production increases
  - (ii) Production decreases
  - (iii) Variable cost per unit decreases
  - (iv) Prime cost per unit decreases
- (h) Normal wastage is properly classified as :
- (i) An extra ordinary item
  - (ii) Period cost
  - (iii) Product cost
  - (iv) Deferred charge
- (i) Cost variance includes all but one of the following :
- (i) Direct material variance
  - (ii) Direct labour variance
  - (iii) Variable overhead variance
  - (iv) Sales variance
- (j) Short-term financial position will improve with :
- (i) Increase in Current Assets

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( Turn over )

- (ii) Increase in Current Liability
- (iii) Decrease in Current Assets
- (iv) None of these

**Group – B**

**(Long-answer Type Questions)**

Answer any four questions of the following : 15x4 = 60

2. What is Cost Accounting ? How does it differ from Financial Accounting ?
3. What is inventory control ? Explain its techniques.
4. Define budgetary control and state its objectives.
5. What are the uses of Break-even Analysis ?
6. What is Management Accounting ? Discuss its needs in modern age.

7. From the following information prepare a Cost Sheet :

	₹
Raw Materials purchased	32,250
Carriage on purchase	850
Direct wages	18,450

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	₹
Works overhead	2,750
Selling overhead	2,450
Office overhead	1,850
Sales	75,000
Sales of Factory scrap	250
Opening Stock of Finished goods	9,750
Closing Stock of Finished goods	11,100

8. The cost books of Shri Ravi for the year 2014 show a profit of ₹ 50,255. The profit disclosed by his financial books is ₹ 31,200. The following information is gathered through the observation of accounts.

- (a) Payment for Income Tax was 15,000 in Financial Accounts.
- (b) Bad debts amounted to ₹ 2,000 in financial books.
- (c) Factory overhead in Cost Accounts was ₹ 15,000 while the actual overhead was ₹ 12,255.
- (d) Transfer fee received was ₹ 1,200.

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(e) ₹ 1,000 was paid for directors fees.

(f) Plant costing ₹ 50,000 was installed but not yet used. Depreciation @ 10% was charged.

You are required to prepare a statement reconciling cost accounts profit with profit of financial accounts.

9. From the following information, calculate fund from operations :

Net Loss	₹ 25,000
Depreciation on Plant	40,000
Amortisation of Goodwill	4,000
Loss on sale of furniture	3,000
Profit on sale of Land	8,500
Provision for Bad Debts	4,500
Salaries including O/S	2,000
Provision for Taxation	1,000
Provision for Legal Damages	2,000
Commission	500
Refund for Tax	2,500

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10. Calculate B. E. P. from the following information and ascertain the margin of safety :

Fixed costs for the year	₹ 80,000
Variable cost per unit	4
Sales for the year	2,00,000
Selling price per unit	20



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(7)

BBA (II) / H-6 / 15