(7 pages)

MAY 2025 **U/ID 46512/UNC4A**

Time : Three hours Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define Management Accounting.

2. State any two methods of costing.

3. What is Perpetual Inventory System?

4. What is Separation Method?

5. What is Direct Labour Cost?

6. Define Overhead.

7. What is Absorption of overhead?

8. If current assets are Rs. 3,00,000, Current liabilities Rs. 1,00,000, Find out the current ratio.

9. Define cash flow statement.

10. What is breakeven point?

11. If Sales Rs. 2,00,000, Variable cost Rs. 1,50,000, find out the P/V ratio.

12. What is production budget?

PART B — ($5 \times 5 = 25$ marks)

Answer any FIVE questions.

13. What are the methods and techniques of costing?

14. Find out the EOQ and number of orders per year from the following information :

Monthly consumption 3,000 units

Cost per unit Rs. 54

Ordering cost Rs. 150 per order

Inventory carrying cost 20% of the average inventory.

15. What are the advantages of FIFO method?

16. Calculate the total earnings from the following data under Halsey Plan and Rowan Plan.

Standard time : 10 hours

Time taken : 8 hours

Time rate : Rs. 2.50 per hour.

17. Work out the machine hour rate for the following machine whose scrap value is nil

(a) Cost of machine Rs. 3,60,000

(b) Freight and installation Rs. 40,000

(c) Working life : 20 years

(d) Working hours: 8,000 per year

(e) Repair charges : 50% of depreciation

(f) Power: 10 units per hour @10 paise per unit

(g) Lubricating oil @ Rs. 2 per day of 8 hours

(h) Consumable stores @ Rs. 10 per day of 8 hours

(i) Wages of operator @ Rs. 4 per day

18. Calculate the debtor turnover ratio from the following.

	Rs.
Total sales for the year	1,00,000
Cash sales for the year	20,000
Debtors - beginning	10,000
Debtors - end	15,000
Bills receivable at the beginning	7,500
Bills receivable at the end	12,500

19. From the following particulars. Find BEP in units and BEP Sales value.

Variable cost per unit Rs. 15

Selling price per unit Rs. 24

Fixed cost Rs. 54,000

What should be the selling price per unit, if the company wants to take up BEP to 9,000 units?

PART C — ($3 \times 10 = 30$ marks)

Answer any THREE questions.

20. Distinguish between cost accounting and financial accounting.

21. The following transactions occur in the purchase and issue of a material

June	2	Purchased	4,000 units at Rs. 4 per unit
	5	Purchased	500 units at Rs. 5 per unit
	10	Issued	2,000 units
	12	Purchased	6,000 units at Rs. 6 per unit
	13	Issued	4,000 units
	15	Issued	1,000 units
	18	Issued	2,000 units
	25	Purchased	4,500 units at Rs. 5.50 per unit
	26	Issued	3,000 units

Prepare stores ledger account using Simple average method and weighted average method.

22. A manufacturing company has three production departments and two service departments. The departmental expenses were as follows.

Production department expenses :

Department A – Rs. 10,000

Department B – Rs. 8,000

Department C – Rs. 12,000

Service department expenses :

Department X – Rs. 2,000

Department Z – Rs. 3,000

The service department expenses are charged on the following percentage basis.

Service Department	Production Department			Service	
	A	B	C	X	Z
X	25	20	30	–	25
Z	15	30	25	30	–

Prepare a statement showing the apportionment of the overhead of the two service departments to the production departments under repeated distribution method.

23. Using the information and the form given below compute the Balance Sheet items for a firm having a sale of Rs. 36,00,000.

Sales / Total assets	= 3
Sales / Fixed assets	= 5
Sales / Current assets	= 7.5
Sales / Inventories	= 20
Sales / Debtors	= 15
Current ratio	= 2
Total assets / Net worth	= 2.5
Debt / Equity	= 1

Balance sheet

Liabilities		Assets	
Net worth	?	Fixed assets	?
Long term debt	?	Inventories	?
Current liabilities	?	Debtors	?
		Liquid asset (others)	?

24. Prepare cash budget from the following information :

Month	Sales	Purchases	Wages	Factory Exp	Admn. Exp	Selling Exp
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
March	40,000	24,000	6,000	3,000	4,000	3,000
April	46,000	28,000	6,500	3,500	4,000	3,500
May	50,000	32,000	6,500	4,000	4,000	3,500
June	72,000	36,000	7,000	4,400	4,000	4,000
July	84,000	40,000	7,250	4,250	4,000	4,000

(a) 25% of the sale is for cash, remaining amount is collected in the month following that of sale.

(b) Suppliers supply goods on two months credit

(c) Delay in payment of wages and all other expenses – one month

(d) Income tax of Rs. 10,000 is due to be paid in July

(e) Preference share dividend of 10% on Rs. 1,00,000 is to be paid in May