(8 pages)

MAY 2024 **P/ID 77928/RMB1D**

Time : Three hours Maximum : 80 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions in 50 words each.

1. What is Convention of Conservatism?

2. What is Trial Balance?

3. Briefly explain the objectives of Social Auditing.

4. How would you calculate Material Usage Variance?

5. What is Fund Flow Statement?

6. What is Cash Flow Statement?

7. What is Turnover Ratio?

8. Define Marginal Costing.

9. What is BEP Analysis?

10. Define Budgeting.

11. Define Cost Accounting.

12. What is Managerial Decision-Making?

PART B — (5 × 6 = 30 marks)

Answer any FIVE questions in 250 words each.

13. What do you mean by Accounting? Discuss in detail about branches of Accounting?

14. The following is the Trial Balance as on 31-12-2018.

Prepare Trading and Profit and Loss Account and Balance Sheet:

Debit Balances Rs. Stock (1-1-2018) 14,000

Particulars	Dr. Rs.	Cr. Rs.
Stock on 1st Jan 2018	8,000	
Sales		2,20,000
Purchases	1,26,000	
Productive wages	56,500	
Salaries	16,000	
Stores consumed	6,050	
Carriage	3,050	

Particulars	Dr. Rs.	Cr. Rs.
Rent	5,200	
Insurance	1,320	
Machinery	52,000	
Building	67,000	
Capital less drawings		1,45,600
Sundry Debtors	44,000	
Sundry creditors		20,000
Secured loan		16,000
Furniture	3,350	
General expenses	2,600	
Cash in hand	1,930	
Bad debts	1,020	
Bank	6,580	
Input CGST	3,000	
Input SGST	3,000	
Output CGST		2,500
Output SGST		2,500
Total	4,06,600	4,06,600

Adjustments to be made :

(a) Stock on 31-12-2018 Rs. 20,600

(b) Depreciate machinery at 10% pa.

(c) Make provision @ 5% for bad and doubtful debts.

(d) Provide discount on debtors @ 2½%.

(e) Insurance prepaid Rs. 120.

15. A firm sells 7,000 units at Rs. 27 per unit.

Fixed cost amount to Rs. 44,000 and variable cost to Rs. 16 per unit. Calculate

(a) The break-even point.

(b) Point-Volume (P/V) ratio.

(c) Margin of Safety

16. A product is sold at a price of 120 per unit, and its variable cost is 80 per unit. The fixed expenses of the business are 8,000 per year. Find

(a) BEP in Rupees and Units

(b) Profits made when sales are 240 units Sales to be made to earn a net profit of 5,000 for the year.

17. Explain any two budgets with examples.

18. From the following information calculate (a) current ratio (b) quick ratio (c) Fixed assets ratio (d) Debt-equity ratio and (e) Proprietary ratio.

Liabilities	Rs.	Assets	Rs.
Equity share capital	1,00,000	Cash in hand	2,000
6% Preference Share Capital	1,00,000	Cash at bank	10,000
7% Debentures	40,000	Bills receivable	30,000
8% Govt. loan	20,000	Investments	20,000
Bank overdrafts	40,000	Debtors	70,000
Creditors	67,000	Stock	40,000
Proposed Dividends	10,000	Furniture	30,000
Reserves	1,50,000	Land, Buildings	2,20,000
Provisions for tax	20,000	Machinery	1,00,000
Profit and Loss A/C	20,000	Goodwill	35,000
		Preliminary Expenses	10,000
Total	5,67,000		5,67,000

19. The modern manufacturer furnishes the following data relating to the manufacture of a standard product during the month of October, 2012.

(a)	Raw Materials consumed	Rs. 15000
(b)	Direct Labour charges	Rs. 9000
(c)	Machine Hours worked	Rs. 900
(d)	Machine Hour rate	Rs. 5
(e)	Administration overheads	20% on works cost
(f)	Selling overheads	Rs. 0.50 per unit
(g)	Unit produced	17,100
(h)	Units sold	16000 at Rs. 4 per unit

You are required to prepare a cost sheet from the above showing

(i) The cost of production per unit

(ii) Profit per unit sold and profit for the period

PART C — (3 × 10 = 30 marks)

Answer any THREE questions each in 500 words.

20. Define Cost Accounting and explain the advantages of it. Explain the various methods of Costing and elements of cost with examples.

21. Explain the need for subsidiary Books (Ledgers). And what are the advantages of trial balances.

22. Following are summarized Balance Sheets of a XYZ Ltd. Co. as 31 -3-2022-31-3-2023

Liabilities	31-3-22	31-3-23	Assets	31-3-22	31-3-23
Share capital	5,00,000	5,00,000	Premises	4,75,000	5,00,000
General reserve	1,50,000	1,25,000	Machinery	4,22,500	3,75,000
Profit and Loss	76,500	76,250	Equipments	40,500	45,000
Term loan	1,55,000	1,75,000	Stock	74,000	1,00,000
Sundry creditors	2,31,250	2,75,000	Debtors	1,60,000	2,00,000
Provision for Tax	76,250	84,250	Cash	7000	3000
			Bank	10,000	—
			Goodwill	—	12,500
	11,89,000	12,35,500		11,89,000	12,35,500

Additional information:

(a) Interim dividend paid Rs. 25,000

(b) Depreciation on premises is provided at 5%

(c) Machinery worth Rs. 75,000 was acquired during the year

(d) Income tax provision for the year was 75,000

Prepare cash flow statement in accordance with AS-3.

23. What are the concept and importance of Working Capital Management?

24. The expenses for budgeted production of 10,000 units in a factory are furnished below:

Particulars	Per units
Material	70
Labour	25
Variable Overheads	20
Fixed Overheads (Rs. 1,00,000)	10
Variable Expenses (Direct)	5
Selling Expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (Rs. 50,000)	5
Total Cost Per unit	155

Prepare a Cost sheet for the following data and find out the profit.