(8 pages)

MAY 2025 **P/ID 77928/RMB1D**

Time : Three hours Maximum : 80 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions.

1. Define Accounting.

2. What is Journal?

3. What is Trial Balance?

4. Define Working Capital.

5. What is Absorption Costing?

6. What is Cash Budget?

7. What is Cost Sheet?

8. Give any four classification of Cost.

9. What is Variance Analysis?

10. Explain the techniques of Costing.

11. What are the uses of Accounting information in Managerial decision-making?

12. Explain the methods of Costing.

PART B — (5 × 6 = 30 marks)

Answer any FIVE questions.

13. Calculate factory cost from the following particulars:
Material consumed Rs.60,000
Productive wages 20,000
Direct Expenses 5,000
Consumable stores 2,000
Oil grease/Lubricating 500
Salary of a factory manager 6,000
Unproductive wages 1,000 Factory rent 2,000
Repair and Depreciation on Machine 600

14. From the following calculate
(a) Material cost variance
(b) Material usage variance
(c) Material price variance

Quantity of material purchased'	3000 units
Value of material purchased	Rs. 9,000
Standard Quantity of material required per tonne 'of finished product	25 units
Standard rate of material,	Rs. 2 per unit
Opening stock of material	NIL
Closing stock of material	500 units
Finished products manufactured,	80 tonnes

15. Prepare a Flexible budget for overheads on the basis of the following data. Ascertain the overhead rates at 50% and 60% capacity.

Variable overheads:	At 60% capacity (Rs.)
Indirect Material	6,000
Labour	18,000
Semi-variable overheads:	
Electricity: (40% Fixed & 60% variable)	30,000
Repairs: (80% fixed & 20% Variable)	3,000
Fixed overheads:	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total overheads	93,000
Estimated direct labour hours	1,86,000

16. Ashok and Tanaji are Partners sharing Profit and Losses in the ratio 2:3 respectively. Their Trial Balance as on 31st March, 2007 is given below. You are required to prepare Trading and profit and Loss Account for the year ended 31st March, 2007 and Balance Sheet as on that date after taking into account the given adjustments.

Trial Balance as on 31st March, 2007

Particulars	Amt. (Rs.)	Particulars	Amt. (Rs.)
Purchases	98,000	Capital :	
Patents Right	4,000	Ashok	30,000
Building	1,00,000	Tanaji	40,000
Stock (1.04.2006)	15,000	Provident fund	7,000
Printing and Stationary	1,750	Creditors	45,000
Sundry debtors	35,000	10% bank loan	
Wages and salaries	11,000	taken on	12,000
Audit fees	700	1st April 2006	
Sundry expenses	3,500	sales	1,58,000
Furniture	8,000	Reserve for	
Investment	10,000	doubtful debts	250
Cash	4,000	Purchase	
Provident fund contribution	800	returns	3,500
Carriage inwards	1,300		
Travelling expenses	2,700		
Total	2,95,750		2,95,750

Ajustments

(a) Closing stock is valued at the cost of Rs. 15,000 while its market price is Rs. 18,000.

(b) On 31st March, 2007 the stock of stationery was Rs. 500.

(c) Provide reserve for bad and doubtful debts at 5% on debtors.

(d) Depreciate building at 5% and patent rights at 10%.

(e) Interest on capitals is to be provided at 5% p.a.

17. The Balance Sheet of a firm as on 31st December 2003 and 2004 is also given below :

	2003	2004		2003	2004
Share capital	1,00,000	1,60,000	Fixed at cost	1,52,000	2,00,000
Retained earnings	70,250	85,300	Inventory	93,400	89,200
Accumulated depreciation	60,000	40,000	Sundry debtors	30,800	21,100
12% debentures	50,000	-	Prepaid		
Sundry creditors	28,000	48,000	expenses	3,950	3,000
			Bank	28,100	20,000
Total	3,08,250	3,33,300		3,08,250	3,33,300

The following additional information for 2004 are also given:

(a) Profit Rs. 27,050

(b) Depreciation charged Rs. 10,000

(c) Cash dividend declared during the period Rs. 12,000

(d) An addition to the building was made during the year at a cost of Rs. 78,000 and depreciated equipment costing Rs. 30,000 was discarded as no salvage being realized.

Prepare a Cash Flow method for the year ended 31st December 2004.

18. From the following information prepare production budget of Moon Ltd, for the year ending 31st March 2007.

Product	Sales	Stock 1-4-2006	Stock on 31-3-2007
X	2,00,000	1,00,000	20,000
Y	1,50,000	8,000	12,000
Z	75,000	6,000	14,000

19. The Sales turnover and profits during two periods were as follows :

	Period-I	Period-II
Sales	20,00,000	2,00,000
Profit	30,00,000	4,00,000

Calculate:

(a) Profit volume Ratio

(b) Break-even-point

(c) The sales required to earn a profit of Rs. 50,000

(d) The profit when sales are Rs. 1,00,000

PART C — (3 × 10 = 30 marks)

Answer any THREE questions.

20. From the following data calculate Material Usage variance

Standard : 20kg at Rs. 5.50 per kg.

Actual : 25kg at Rs. 6 per kg.

21. Following is the profit and loss account of a company for the year ending 31.12.1997.

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	2,01,000		
Total	6,60,000		6,60,000
To Administrative expenses	20,000	By Gross profit	2,01,000
		By Interest from outside business	10,000
To Selling and distribution expenses	89,000	By Profit on sale of investments	8,000

Particulars	Rs.	Particulars	Rs.
To Non-operating expenses	30,000		
To Net profit	80,000		
Total	2,19,000		2,19,000

Calculate :

(a) Gross Profit Ratio

(b) Cost of sales

(c) Net Profit Ratio

(d) Operating Ratio

(e) Operating profit Ratio

22. What are the various steps involved in the preparation of schedule of changes in Working Capital?

23. What are the differences between cash flow statement and fund flow statement?

24. Explain the following:

(a) Flexible Budget

(b) Zero Base Budgeting

(c) Fixed Budget

(d) Standard Costing
