

1129

## P.G. Diploma in Marketing Management

1<sup>st</sup> Semester

## DMM-104: Managerial Accounting

Time allowed: 3 Hours

Max. Marks: 70

**NOTE:** Attempt five questions in all, selecting atleast one question from each Unit.

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**UNIT - I**

- I. "Management accounting is extension of financial accounting." Explain. (14)
- II. Explain different tools of management accounting which help in planning and control. (14)

**UNIT - II**

- III. The following are the summarized profit and loss account of Rajhans Products Ltd. for the year ending 31<sup>st</sup> March, 2018 and the Balance Sheet as on the data:

**PROFIT AND LOSS ACCOUNT**

To Opening stock	Rs. 9,950	By sales	Rs. 85,000
To Purchases	54,525	By closing stock	14,900
To incidental expenses	1,425		
To Gross Profit c/d	34,000		
	<u>99,900</u>		<u>99,900</u>
To Operating Expenses:		By Gross Profit b/d	34,000
Selling and Distribution	3,000	By Non-operating Income:	
Administration	15,000	Interest	300
Finance	1,500	Profit on sale of shares	900
			900
To Non-operating Expenses:			
Loss of sale of Assets	400		
To Net Profit	<u>15,000</u>		
	<u>34,900</u>		<u>34,900</u>

**BALANCE SHEET**

Issued Capital:		Land & Buildings	Rs. 15,000
2,000 Equity Shares of Rs. 10 each	Rs. 20,000	Plant and Machinery	8,000
Reserve	9,000	Stock-in-trade	14,900
Current liabilities	13,000	Sundry Debenture	7,100
Profit & Loss A/c	6,000	Cash & Bank Balances	3,000
	<u>48,000</u>		<u>48,000</u>

You are required to calculate:-

- (a) Current ratio (b) Operating ratio
- (c) Stock turnover ratio (d) Return on total resources
- (e) Turnover of fixed assets

(14)

**P.T.O.**

(2)

- IV. Discuss meaning, nature and limitations of financial statements. (14)
- V. What is cash flow statement? How is it prepared following AS-3? (14)

**UNIT - III**

- VI. What is marginal costing? How does it differ from absorption costing? Out of these two which is better for taking decision and why? (14)
- VII. Explain B.E.P. Also discuss its importance and assumptions. (14)

- VIII. The following data are obtained from the records of a factory: -

Sales 4,000 units @ Rs. 25 each		Rs. 1,00,000
Material consumed	Rs. 40,000	
Variable overheads	10,000	
Labour charges	20,000	
Fixed overheads	18,000	88,000
Net Profit		12,000

Calculate:

- (a) the number of units by selling which are company will neither lose nor gain anything.
- (b) the sales needed to earn a profit of 20% on sales.
- (c) the extra units which should be sold to obtain the present profit if it is proposed to reduce the selling price by 20% and 25%.
- (d) the selling price to be fixed to bring down its Breakeven point to 500 units under present conditions. (14)

**UNIT - IV**

- IX. From the following information regarding a standard product compare (i) Price (ii) Usage, and (iii) Mix variances:

	Standard			Actual		
	Quantity (kilos)	Unit Price Rs.	Total Rs.	Quantity (kilos)	Unit Price Rs.	Total Rs.
Material A	4	1.00	4.00	2	3.50	7.00
Material B	2	2.00	4.00	1	2.00	2.00
Material C	2	4.00	8.00	3	3.00	9.00
Total	8	2.00	16.00	6	3.00	18.00

(14)

- X. Write notes on: -

- (a) Zero based budgeting
- (b) Responsibility accounting (7+7)