

GUJARAT TECHNOLOGICAL UNIVERSITY**B.VOC- SEMESTER-I EXAMINATION – WINTER 2024****Subject Code:BV01008021****Date:23-12-2024****Subject Name: Management Accounting-1****Time:10:30 AM TO 12:30 PM****Total Marks:50****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Simple and non-programmable scientific calculators are allowed.

	Marks
Q.1 (a) Write the difference between Management Accounting and Cost Accounting (Any 5)	05
(b) What is fixed Cost explain	05
Q.2 (a) Write short note on Semi-variable Cost.	05
(b) Write definition and meaning of Management Accounting and write its scope? (Any 3)	05

OR

(b) Explain in detail Budgeted or Estimated Cost.	05
Q.3 (a) Write short note on Marginal Cost.	05
(b) Explain in detail Opportunity Cost.	05

OR

Q.3 (a) Modern Company wishes to arrange overdraft facilities with its bankers during the period April to June, 2024 when it will be manufacturing mostly for stock. Prepare a cash budget for the above period from the following data indicating the extent of bank facilities the company will require at the end of each month.	05
--	-----------

(a)Month	Sales ₹	Purchases ₹	Wages ₹	Mfg. Exp. ₹	Office Exp. ₹	Selling Exp. ₹
Feb.	1,80,000	1,24,800	12,000	3,000	2,000	2,000
March	1,92,000	1,44,000	14,000	4,000	1,000	4,000
April	1,08,000	2,43,000	11,000	3,000	1,500	2,000
May	1,74,000	2,46,000	12,000	4,500	2,000	5,000
June	1,26,000	2,68,000	15,000	5,000	2,500	4,000
July	1,40,000	2,80,000	17,000	5,500	3,000	4,500
Aug.	1,60,000	3,00,000	18,000	6,000	3,000	5,000

- (b) Cash on hand 1-4-2024 INR 25,000.
- (c) 50% of credit sales are realized in the month following the sale and the remaining 50% in the second month following. Creditors are paid in the month following the month of purchase.
- (d) Lag in payment of manufacturing expenses ½ month.
- (e) Lag in payment of other expenses 1 month.

(b) From the following budgeted figures, prepare a Cash Budget in respect of the three month from 1st April to 30th June, 2024 for Mr. Ram:	05
--	-----------

Month	Sales ₹	Materials (purchase) ₹	Wages ₹	Overheads ₹
January	30,000	20,000	5,500	3,100
February	28,000	24,000	5,800	3,300
March	32,000	25,000	6,000	3,400
April	40,000	28,000	6,200	3,600
May	42,000	31,000	6,500	4,300
June	38,000	25,000	7,000	4,000

- (1) Estimated cash balance as on 1st April, 2024 is INR 10,000
- (2) Materials and overheads are paid during the month following the month of supply.
- (3) Wages are paid in the same month.
- (4) 50% of sales are collected in the month after sales and remaining 50% are collected in the second month after sales.
- (5) Sales commission of 5% on sales is to be paid within the month following actual sales.

- Q.4 (a)** Write down purpose for preparing cash budget? **05**
- (b)** Prepare a specimen of cash budget for 3 months with imaginary figures for M/S Kothari and Sons **05**

OR

- Q.4 (a)** Find out Sales, Purchase, Labour and Overhead Expenses for Paras Co. Ltd for months of April to June 2024 **05**

Month	Sale ₹	Purchases ₹	Labour ₹	Overheads ₹
February	2,20,000	1,80,000	20,000	30,000
March	1,80,000	2,00,000	24,000	28,000
April	2,00,000	2,20,000	30,000	32,000
May	1,50,000	2,40,000	32,000	34,000
June	1,60,000	2,60,000	34,000	40,000

- (1) 20% of sale and 25% of purchase were on cash basis.
- (2) 40% amount of credit sale is received in next month of the sale while remaining amount in second month of sale.
- (3) Creditors are paid after one month.
- (4) Time lag for payment of Labour and Overheads is ½ month.
- (5) Advance Tax of INR 54,000 will be paid on 15-6-2024
- (6) Cash balance as on 1-4-2024 will be INR 60,400

- (b)** Prepare Cash Budget for Paras Co. Ltd. From above information for the three months of April to June 2024 and show when and how much Bank Overdraft facility will be required during this period **05**
- Q.5 (a)** Write any 5 benefits of Cash Budget? **05**
- (b)** Write meaning of flexible budget and 5 purpose of preparing flexible budget? **05**

OR

- Q.5 (a)** With the following data for 60% activity, prepare a budget for production at 80% and 100% capacity. **05**
- Production at 60% activity, 600 units
- | | |
|-------------------------|---------------------|
| Material per unit | ₹100 |
| Labour per unit | ₹40 |
| Expenses per unit | ₹10 |
| Factory expenses | ₹40,000 (40% fixed) |
| Administration expenses | ₹30,000 (60% fixed) |

- (b) A factory is currently working to 50% capacity and produces 10,000 units, **05**
Estimate the profit of the company when it works to 60% and 80% capacity
At 60% working, raw material cost increases by 2% and selling price falls
by 2%. At 80%, raw material cost increased by 5% and selling price falls
by 5%. At 50% capacity working, the product costs INR 180 per unit and
is sold at INR 200 per unit.

The unit cost of INR 180 is made up as follows:

Material	INR 100
Labour	INR 30
Factory Overhead	INR 30 (40% Fixed)
Administration Overhead	INR 20 (50% Fixed)
Total	INR 180
