

2024

( FYUGP )

( 5th Semester )

COMMERCE

( Major )

Paper Code : BC/C9

( Management Accounting )

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

*The figures in the margin indicate full marks for the questions*

1. (a) Discuss the objectives of Management Accounting. Distinguish between Cost Accounting and Management Accounting. 8+7=15

Or

- (b) Discuss the scope of Management Accounting and the limitation of Management Accounting. 9+6=15

( 2 )

2. (a) Explain the advantages and limitations of Budgetary Control. 10+5=15

Or

- (b) The following information relates to a flexible budget at 60% capacity. Find out the overhead cost at 50% and 70% capacity and also determine the overhead rates : 15

Expenses at  
60% Capacity

₹

Variable Overheads :

Indirect Labour 10,500

Indirect Materials 8,400

Semi-variable Overheads :

Repair and Maintenance  
(70% fixed, 30% variable) 7,000

Electricity (50% fixed, 50% variable) 25,200

Fixed Overheads :

Office Expenses including Salaries 70,000

Insurance 4,000

Depreciation 20,000

Estimated Direct Labour 1,20,000

3. (a) Explain the importance of standard costing. Discuss the point of difference between standard cost and estimated cost. 9+6=15

( 3 )

Or

- (b) From the following information, calculate—

(i) Material Cost Variance;

(ii) Material Price Variance;

(iii) Material Usage Variance;

(iv) Material Mix Variance;

(v) Material Yield Variance : 3×5=15

Material	Standard		Actual	
	Unit	Unit Price ₹	Unit	Unit Price ₹
A	40	10	50	12
B	60	5	50	8

Actual yield is 125 units.

4. (a) What are the advantages and limitations of Marginal Costing? Distinguish between Absorption Costing and Marginal Costing. 5+5+5=15

Or

- (b) The following data are available from the records of a company :

Sales	60,000
Variable Cost	30,000
Fixed Cost	15,000

( 4 )

Calculate the P/V Ratio, Break-even Point and Margin of safety—

- (i) at this level;  
(ii) when sale price increase by 10%;  
(iii) when sale price decrease by 10%.  
 $5 \times 3 = 15$

5. (a) What do you mean by ratio analysis? Discuss its advantages and limitations.

$$3 + 6 + 6 = 15$$

Or

(b) The following details are available from a company :

**Balance Sheets**

Liabilities	31.12.2021	31.12.2022
Share Capital	70,000	74,000
Debenture	12,000	6,000
Reserve for Doubtful Debts	700	800
Trade Creditors	10,360	11,840
Profit & Loss A/c	10,040	10,560
	<u>1,03,100</u>	<u>1,03,200</u>

( 5 )

Assets	31.12.2021	31.12.2022
	₹	₹
Cash	9,000	7,800
Debtors	14,900	17,700
Stock	49,200	42,700
Land	20,000	30,000
Goodwill	10,000	5,000
	<u>1,03,100</u>	<u>1,03,200</u>

**Additional Information :**

- (i) Dividend paid—₹ 3,500  
(ii) Land was purchased for ₹ 10,000  
(iii) Amount provided for amortization of goodwill—₹ 5,000  
(iv) Debenture paid off—₹ 6,000

Prepare Cash Flow Statement.

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