

## Second Year MHA Degree Supplementary Examinations, April 2013

### Management Accounting and Cost Accounting

Time: 3 Hours

Total Marks: 100

- Answer all questions. Draw diagrams wherever necessary
- Write **section A** and **section B** in separate answer books. Do not mix up questions from section A and section B.

**QP CODE: 204380 Section A- Management Accounting** Marks: 50

**Essay: (20)**

1. From the following receipt and payment account of city hospital, prepare income and expenditure account and balance sheet as on 31/3/2012. Stock of medicine on 31st March 2011 Rs. 12,000 and on 31st March 2012 Rs. 15,000.

Receipt and payment account as on 31/3/2012

Receipts	Amount	Payments	Amount
To Opening Cash	5000	By Salaries	50000
To Opening Bank	10000	By Medicine purchased	100000
To Subscriptions	15000	By printing and Stationery	6000
To Collection from in patients	196000	By Telephone Charges	5000
To Interest Received	10000	By Equipment Purchased	50000
To Collection from out patients	50000	By Furniture	20000
To Membership fees	5000	By Legal Charges	4000
To loan from Bank	100000	By Fixed Deposits	100000
		By Lighting Charges	7000
		By Donations	20000
		By Closing Cash	4000
		By Closing Bank	25000
<b>Total</b>	<b>391000</b>	<b>Total</b>	<b>391000</b>

**Short essay: (10)**

2. What are the long-term solvency ratios. How these data can be used in analysis of long-term financial stability of the firm.

**Short notes: (4x5 =20)**

3. What are the features of trading account and profit and loss account.
4. . What do you mean by accounting conventions. Mention any four accounting conventions.
5. What are the causes for depreciation.

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6. From the following particulars prepare bank reconciliation statement as on 31st March 2012  
 The following cheques were paid into the bank in March 2012 but were credited by the bank in April 2012- Mr. A Rs. 2500, Mr. B Rs. 3000, Mr. C Rs. 2400. The following cheques were issued by the firm in March 2012, but were cashed in April 2012. Mr. D Rs. 3000, Mr. E Rs. 5000, Mr. F Rs. 3000. The passbook shows a credit of Rs. 250 for interest and debit of Rs. 50 for bank charges. The bank balance as per the cashbook was Rs. 18000.

**QP CODE: 205380**

**Section B- Cost Accounting**

Marks: **50**

**Essay:**

**(20)**

1. Assuming that the cost structure and selling prices remain the same in 1st year and 2nd year, find out
- Profit volume ratio.
  - Fixed cost
  - Breakeven point
  - Profit when sales are Rs. 100000
  - Sales required to earn a profit of Rs. 50000
  - Margin of safety at a profit of Rs. 25000

Year	Sales (Rs.)	Profit (Rs.)
1st year	120000	9000
2nd year	140000	13000

**Short essay:**

**(10)**

2. What is meant by perpetual inventory. How this is superior to the periodical inventory.

**Short notes:**

**(4x5=20)**

3. Distinguish between direct and indirect cost.
4. . What is the difference between time keeping and time booking.
5. What is the importance of a KEY FACTOR in relation to preparation of budgets.
6. The standard material required to manufacture one unit is 10 kgs. The standard price per kg of material is Rs. 2.50. 11500 kg of material costing Rs. 27600 were used for manufacturing 1000 units. Calculate material price and material usage variance.

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