

Second Year MHA Degree Examinations, October 2014**Management Accounting and Cost Accounting****Time: 3 Hours****Total Marks: 100**

- Answer all questions.
- Write **section A** and **section B** in **separate answer books(32 Pages)**.
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 trial balance of Mr. Kumar, prepare trading profit and loss account and the balance sheet. Stock on 31st March 2012 was Rs. 15000.

Trial Balance as on 31st March 2012

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		71000
Cash	3900	
Purchases	41600	
Sales		99300
Wages	10500	
Power	4000	
Salary	15000	
Carriage Outward	3200	
Carriage Inwards	2000	
Opening Stock	5800	
Building	40000	
Plant and Machinery	20000	
Furniture	7500	
Debtors	14500	
Creditors		6300
General Expense	3000	
Insurance	600	
Drawings	5000	
Total	176600	176600

Short essay: (10)

2. State the objectives of bank reconciliation statement. State the various causes for the disagreement between the bank balance as per the cashbook and bank balance as per the passbook.

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

3. Explain the imprest system of petty cash.
4. Describe ratio analysis – its uses and limitations.
5. Distinguish between income and expenditure account and receipt and payment account.
6. KMC hospital acquired a machine on 1st July 2010 at a cost of Rs. 14000 and spent Rs. 1000 on its installation. The firm writes off depreciation at 10% per annum of the original cost every year. The books are closed on 31st March every year. Prepare machinery account for the year 2011 and 2012.

QP CODE: **205380****Section B- Cost Accounting**Marks: **50****Essay:****(20)**

1. The following details are supplied to you relating to a worker in a factory. Calculate the gross wage cost of a factory worker per month and calculate net cash required to make payment to factory workers per month.

Monthly salary – Basic Rs. 15000

Dearness allowance – Rs. 500

Leave salary – 5% of Salary.

Employer's contribution to ESI – 2.5% of salary.

Employer's contribution to PF- 8% of salary.

Employee's contribution to ESI – 5% of salary.

Employee's contribution to PF – 8% of salary.

The employer maintains a canteen on which he spends Rs. 89750 per month. The canteen serves both office and factory workers, number of employee being 50 and 450 respectively.

Short essay:**(10)**

2. Explain the meaning of variance analysis and describe its significance.

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

3. When and why, do you advocate pricing the issues at cost price based on LIFO and FIFO methods.
4. What is the difference between allocation and absorption of overheads.
5. What do you mean by abnormal gain and abnormal loss.
6. Calculate breakeven point and profit volume ratio from the following particulars:
Sales – 20000 units at Rs. 5 per unit
Variable cost at Rs. 3 per unit
Fixed cost Rs. 8000 per annum
