Dr. Babasaheb Ambedkar Open University
Term End Examination January – 2017

Course	:	**DACA**	**Date**	:	**21-Jan-17**
Subject Code	:	**DACA-03**	**Time**	:	**3:00 TO 6:00**
Subject Name	:	**Managerial Cost Accounting**	**Duration**	:	**03 Hours**
			Max. Marks	:	**70**

Que-1 Write a short note on **(14)**

(A) Advantages & Disadvantages of uniform cost Manual
(B) Purpose & Advantages of inter firm Comparison

Or

(A) Explain the graphic algebraic method of breakeven analysis

Que-2 Discuss the relevant cost, differential cost, sunk cost, opportunity cost relevant to Decision making **(14)**

Or

Explain three types of Responsibility centres

Que-3 Define budget? Discuss the objectives of budgeting **(14)**

Or

Discuss the financial budget Component

Que-4 Pass Journal entries relating to the following transactions presuming that the concern is following integral system of accounting for pam ltd. **(14)**

1. Sales for the period were Rs.10,20,000 as compared to the budgeted sales of Rs.10,00,000
2. Goods of Rs.6,10,000 purchased as compared to standard cost of Rs.6,00,000
3. Production wages paid 1,12,000 as compared to standard cost of Rs.1,10,000
4. Production overheads amounted to Rs.1,52,000 as compared to standard cost of Rs.1,50,000

Or

A Company budgets for a production of 1,50,000 units. The variable cost for per units is Rs.14 & fixed cost is Rs.2 per units. The company fixes its selling price to fetch a profit of 15% on cost

1. What is break-even point
2. What is the profit-volume ratio

3. If it reduces its selling price by 5% how the revised selling price affect the break-even point & the profit volume ratio
4. If a profit increase of 10% is desired more than the budget, What should be the sales at the reduced prices.

Que-5 From the following data prepare cash budget for Manu ltd. Form the period from 1st July to 31st December, 2002 when the opening cash balance is expected to be Rs.50,000 **(14)**

Month	Sales	Purchase	Wages	Factory expense	Administer ration	Selling Expense
May	2,00,000	90,000	18,000	12,000	7000	8000
June	1,80,000	95,000	20,000	14,000	8000	9000
July	2,10,000	94,000	19,000	10,000	7000	8000
Aug	1,70,000	94,000	15,000	13,000	5000	8,500
Sept	1,75,000	85,000	22,000	14,500	6,500	8,600
Oct	2,20,000	72,000	18,000	11,000	7,200	9,300
Nov	2,12,000	75,000	21,000	9,500	7,500	7,800
Dec	2,50,000	65,000	20,000	10,000	7,400	6,500

Additional Info :

1. Machinery to be purchased for Rs.60,000 in July will be payable
2. Period of credit allowed by suppliers is one month and the same period is allowed to customers
3. Wages are paid after one, While factory administrative expense and selling expenses are paid one month after the month in which they are incurred
4. Sales commission of $2^1/_2$ % on Sales is paid two months after sales
5. Machinery to be purchase in August for Rs.1,80,000 is payable in equal instilments in September & October

Or

Manish ltd decides to effect a 10%
Reduction in the price of its product because it is falt that such a step may lead to a greater volume of sales. It is anticipated that there are no prospects of a change in total fixed costs and variable costs per units, The directors wish to maintain net profit at the present level.
The following information has been obtained from its books.

Sales : 10,000 units	Rs.2,00,000
Variable Costs	Rs.15 per units
Fixed costs	40,000

How would management proceed to implement this decision