

Smt.S.I.Patel Ipcowala College of Commerce, Petlad  
SUB: FUNDAMENTAL OF MANAGEMENT ACCOUNTING (UB04CC0M20)  
B.Com. SEM-IV  
INTERNAL EXAM: FEB,2019

Time:9.45 to 10.45

Total Marks :30

Date:-25/02/2019

Q.1 Standard mix of a Product is given below :

15

Material	Kg.	Price per kg.
A	20	17
B	12	18
C	8	13

The standard loss is 10% of introduced units .Actual Production is 540 Kgs. Actual consumption and cost are as follows :

Material	Kg.	Price per kg.
A	320	20
B	120	15
C	200	9

Calculate following variances .

- (1)Material Cost Variance (2)Material Price Variance (3)Material Usage Variance  
(4)Material sub-usage Variance (5)Material yield Variance

OR

Q.1 (a)What is standard costing? Explain the advantages of standard costing.

(b) Give the difference between Standard Costing and Budgetary Control .

Q.2 Prepare a Cash Budget for the three months ended 30<sup>th</sup> June, 2019 based on following information :

15

Rs.

Cash at Bank on 1 <sup>st</sup> April,2019	50,000
Salaries and wages estimated monthly	20,000
Interest payable, May, 2019	10,000

Estimated	March	April	May	June
	Rs.	Rs.	Rs.	Rs.
Cash Sales (Actual)	2,80,000	2,50,000	2,42,000	
Credit Sales	2,00,000	1,60,000	2,80,000	2,40,000
Purchases	3,20,000	3,40,000	4,80,000	3,60,000
Other Exp.	--	40,000	44,000	42,000

Credit sales are collected 50% in the month sales are made and 50% in the month following.

Collections from credit sales are subject to 5% discount if payment is received during the month of purchase and 2 ½ % if payment is received in the month following.

Creditors are paid either on a 'prompt' or 30 days' basis. It is estimated that 10% of creditors are in the 'prompt' category.

OR

Q.2 From the following information is Sagar Ltd .

Year	Sales(Rs)	Profit(Rs)
2017	250000	10000
2018	350000	50000

Calculate :

- ( 1 ) P.V.Ratio ( 2 ) Fixed Cost ( 3 ) Break even point  
( 4 ) Profit at Sales Rs. 5,00,000.  
( 5 ) Required sales to earn profit Rs. 70,000  
( 6 )Margin of safety at sales Rs. 3,00,000

\*\*\*\* Best of Luck \*\*\*\*