



SP-1946

Seat No. _____

B. Sc. (IT) (Sem. - II) Examination

April / May – 2006

Financial Accounting & Management (Part - II)

Time : 3 Hours]

[Total Marks : 100

- Instructions :** (1) Each question carries **equal 20** marks.
 (2) Show Necessary Calculations.

1. “Marginal Costing is essentially a technique of Cost Analysis and Cost Presentation” Evaluate statement with reference to the application, merits and demerits of Marginal Costing. 20

OR

1. The following information is available of Krishna Ltd.: 20

Selling Price Per Unit	Rs. 150.
Variable Expenses Per Unit	Rs. 90
Fixed Expenses	Rs. 9,00,000.

- (a). Calculate Break-Even Point.
 (b). Calculate Profit-Volume Ratio.
 (c). Find out how many units the company has to sell to earn a profit of Rs.6,00,000.
 (d). If Selling Price is decreased by 20 %, find out New Break-Even Point.

2. “Cost Accounting is an unnecessary luxury for Business Established” Evaluate the statement critically. 20

OR

2. From the following information of Radha Ltd. prepare a Statement showing (A) Prime Cost, (B) Works Cost (C) Cost of Production (D) Cost of Sales and (E) Net Profit. 20

Particulars	Amount Rs.	Particulars	Amount Rs.
Opening Stock:		Closing Stock:	
Raw Materials	24000	Raw Materials	20000
Finished Goods	16000	Finished Goods	17000
Raw Materials Purchased	82000	Bed-Debts	500
Office Rent, Rate & Tax	7000	Sales	190000
Direct Wages	32000	Power Coal	5000
Factory Wages	1000	Printing- Stationery	1000
Carriage Inward	2000	Salesmen’s Salaries	3000
Factory Rent & Taxes	2000	Advertisement	2000
Depreciation on Plants	3000	Carriage Outward	1500
Office-Salaries	13000	Postage- Telegram	2000

3. “Standard Costing is helpful in crucial Management Decisions especially for Cost Reduction, Operating Performance, Evaluation and Product Pricing Decisions” Are you agree with the statement ? Give your arguments in support of your answer. 20

OR

3. The following information of Gopi Ltd. relating to product XYZ during the month of March 2006 is available. You are required to compute the Material and Labour Cost Variances. 20

Standard Cost Per Unit:

Materials 50 kgs. @ Rs.40 per Kgs.
 Labour 400 Hours @ Rs. 1 per Hour.

Actual Cost Per Unit:

Materials 4,900 kgs. @ Rs.42 per kgs.
 Labour 39,600 Hours @ Rs.1.10 per Hour.
 Actual Production – 100 Units.

4. What do you mean by Break Even Analysis? Prepare a BEP Chart and show Angle of Incidence by using imaginary figures. 20

OR

4. The following information is obtained from the records of Krishna Ltd. 20

<u>Month</u>	<u>Sales (In Units)</u>	<u>Profit (+) or Loss (-).</u>
March 2005	600	-1200(Loss)
April 2005	800	+ 8400(Profit)

The Selling Price per unit is Rs.120.

From the above data find out:

- Fixed Overheads.
- The Break-Even Point (In Units).
- The Sales in units to earn a profit of Rs.24000.

5. Write Short Notes on the following (Any Four) 20

- Overhead Variances.
- Computerized Accounting System.
- Methods of Costing.
- Cost Accounting v/s Financial Accounting.
- Capitalized Cost.
- Expired Cost.
- Assumptions of BEP Analysis.
- Variable and Semi-Variable Expenses.