DE–2792

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DISTANCE EDUCATION

M.C.A. (N.S) DEGREE EXAMINATION, DECEMBER 2011.

ACCOUNTING AND FINANCIAL MANAGEMENT

(2001 onwards)

Time : Three hours Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks. ($5 \times 20 = 100$)

1. (a) Explain different kinds of cash book.

(b) What the differences between books of original entry and ledger?

2. Define accounting distinguish between book keeping and accounting.

3. From the following transactions extracted from the books of accounts of a manufacturing concern as on 31st December 2004, work out

(a) Consumption values of raw material in the month and

(b) Value of closing stock as on 31st December 2004, under the following two methods of pricing issues.

(i) FIFO

(ii) LIFO.

Show the results in a tabulated from

2004		Quantity in Units	Rate Per unit in rupees
December 1	Opening stock	300	9.70
3	Purchase	250	
11	Issue	400	9.80
15	Purchase	300	
20	Issues	210	10.05
25	Purchases	150	
29	Issues	100	10.30

4. From the following puji muresh confectionery limited the profit of 1998 and 1999 are given below together with expenses :

	1998 (Rs.)	1999 (Rs.)
Materials consumed	1,00,000	1,40,000
Wages	80,000	1,20,000
Overheads		
Fixed	30,000	32,000
Variable	24,000	34,000
Net profit	10,000	20,500

The wage rate was increased by 20% in 1999 than in 1998, similarly materials price were high by 10% in 1999. Analyse the causes of increases in profit.

5. "LMN" Limited Sets its product at Rs. 3 per unit. The company uses a First-in First-out actual costing system. A new fixed manufacturing over head allocation rate is

computed each year by dividing the actual fixed manufacturing overhead cost by the actual production costs.

The following simplified data are related to its first two years of operation :

Units data	Year I	Year II
Sales	1,000	1,200
Production cost	1,400	1,000
Cost		
Variable manufacturing	700	500
Fixed manufacturing	700	700
Variable marketing and administration	1,000	1,200
Fixed Marketing and administration	400	400

Required :

(a) Prepare income statements based on

(i) Absorption costing and

(ii) Variable costing for each year.

(b) Give reasons for the differences in the answer.

6. A concern manufacturing product A, has furnished you with the following information :

	Rs.
Sales	75,000
Direct Materials	30,000
Variable overheads	10,000
Direct labour	10,000
Fixed overhead	15,000

In order to increase its sales by Rs. 25,000 the concern proposes to introduce the product B and estimates the costs in conection there with as follows :

	Rs.
Direct materials	10,000
Direct labour	8,000
Variable overhead	5,000
Fixed overhead	NIL

Advise whether the product B will be profitable or not.

7. Transnational Tractors Ltd. have an installed capacity of 5,000 tractor per annum. for the coming year they have budgeted as follows :

Production/sales	4000 units
	Rs.
Costs	in crores

(a)	Direct materials	8.00
(b)	Direct wages	0.60
(c)	Factory expenses	0.80
(d)	Administrative expenses	0.20
(e)	Selling expenses	0.20
	Profit	1.00

Factory expenses as well as selling expenses are variable to the extent of 20% calculate the Break Even Capacity utillisation percentage.

8. ABC Ltd. Prepared a budget for the production of a Lakh units of the only commodity manufactured by them for a costing period as under :

	Rs. (Lakh)
Raw materials	2.52
Direct labour	0.75
Direct expenses	0.10
Works over heads (60% fixed)	2.50
Administrative overheads (80% fixed)	0.40
Selling overheads (50% fixed)	0.20

The actual production during the period was only 60,000 units.

Calculate the revised budgeted cost per unit.