

Following Paper ID and Roll No. to be filled in your Answer Book.

<b>PAPER ID : 29108</b>	<b>Roll No.</b>																		

**Int. LL.B. Examination 2015 - 2016**

**(Second Semester)**

**(Special Carry Over Paper)**

**MANAGEMENT ACCOUNTING**

**Time : 3 Hours]**

**[Maximum Marks : 60**

- Note :-** (i) Attempt all the sections.  
(ii) Section A carries 8 marks, section B carries 12 marks and section C carries 40 marks.

**SECTION - A**

1. Attempt all parts of the following : 1×8=8
- (a) Define marginal cost.
  - (b) Give the formula for P/V ratio.
  - (c) Give the formula for margin of safety.
  - (d) Explain the term budget.
  - (e) Responsibility centres are set in which types of budgeting?

**[ P. T. O.**

- (f) Define standard cost.
- (g) Give the formula for standard hours for actual output.
- (h) Give the formula for labour efficiency variance.

### SECTION - B

2. Attempt any two parts of the following :  $2 \times 6 = 12$
- (a) What is the scope of management accounting? Explain.
- (b) Sale of a product amounts to 1000 units per annum at ₹500 per unit. Fixed overheads are ₹1,00,000 per annum and variable cost ₹300 per unit. There is a proposal to reduce price by 20%. Calculate present and future P/V ratio and break even point (in unit). How many units must be sold to maintain present profit?
- (c) From the following data calculate variable overhead variances :

	Budgeted Rs.	Actual Rs.
Variable overhead	₹2,50,000	₹2,60,000
Output in units	25,000	20,000
Working hours	1,25,000	1,10,000

- (d) Prepare a cash budget for the three months ended 30th September, 2014 based on the following information :

Cash at bank on 1st July, 2014 ₹25,000

Monthly salaries and wages (estimated) ₹10,000

Interest payable in August, 2014 ₹5,000

	June	July	August	September
Cash sales	1,20,000	1,40,000	1,52,000	1,21,000
Credit sales	1,00,000	80,000	1,40,000	1,20,000
Purchases	1,60,000	1,70,000	2,40,000	1,80,000
Other expenses	18,000	20,000	22,000	21,000

Credit sales are collected 50% in month of sale and 50% in the following month of sale. Collection from credit sales are subject to 10% discount if received in the month of sale and the 5% if received in the following month of sale.

### SECTION - C

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**Note:—** Attempt any two parts of the following :

*[ P. T. O. ]*

3. (a) Discuss the nature and scope of management accounting. Give suitable illustration in support of your answer.
- (b) Define fixed cost, variable cost and semi-variable cost with graph and examples.
- (c) What are tools and techniques used in management accounting?

4. Attempt any two parts of the following :

- (a) Explain the meaning and characteristics of marginal costing. How profit is ascertained in marginal costing technique?

- (b) Following data is given :

Total fixed cost ₹ 12,000

Selling price ₹ 12 per unit

Variable cost ₹ 9 per unit

Calculate break even point in units and rupees. Also verify the break even point you have calculated.

- (c) Calculate margin of safety in the following situations :

(i) Break even point = 40%

Actual sales = ₹40,000

(ii) P/V ratio = 40%

Profit = ₹ 35,000

5. Attempt any two parts of the following :

(a) Define standard costing. What are the steps involved in standard costing?

(b) Define favourable and unfavourable variances and controllable and uncontrollable variances.

(c) From the following data calculate LCV, LRV, LEV:

Standard hours per unit	15 hours
Standard rate	₹4 per hour
Actual production	1000 units
Actual hours	15,300 hours
Actual rate	₹3.90 per hour

6. Attempt any two parts of the following :

(a) Explain budgetary control. What is the process of budgetary control?

*[ P. T. O. ]*

- (b) What are the advantages and limitation of budgetary control?
- (c) Give the classification of budgets and explain fixed budget and flexible budget.

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