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**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BCOM IFA – I SEMESTER**

**SEMESTER EXAMINATION: JANUARY 2021**

(Examination conducted in February-March 2022)

**BC IFA 1321: Management Accounting**

Time- 3hrs Max Marks-100

**This paper contains \_4\_\_\_\_ printed pages and four parts**

**Section A**

**I.** Answer ***any five*** of the following. (**2 x 5 = 10 marks)**

1. Differentiate between data and information.
2. What is meant by labour turnover?
3. Enlist any two uses of budgets.
4. What is meant by reconciliation?
5. Define performance management.
6. State any objectives of material cost.

**Section B**

**II.** Answer ***any six*** of the following. (**5 x 6 = 30 marks)**

1. Briefly explain the difference between cost accounting and financial accounting.
2. Discuss the Building block model of performance management with a diagram.
3. What is meant by Budgetary Control? What are its advantages?
4. Calculate Economic Order Quantity (EOQ) from the following:

Annual consumption           6,000 units

Cost of ordering                 $ 60

Carrying costs                    $ 2

1. Materials X and Y are used as follows-

Minimum usage − 50 units each per week

Maximum usage − 150 units each per week

Normal usage − 100 units each per week

Re-order quantities X = 600 units, Y= 1,000 units

Delivery period X = 4−6 weeks, Y = 2−4 weeks

Calculate for each material-

1. Maximum level
2. Minimum level
3. Re-Order level.
4. The following are the transaction which took place in respect of material B.

*Date Receipts Rate per unit Issues*

1/3/21 20 units 2 -

9/3/21 30 units 30 -

20/3/21 - - 5 units

24/3/21 40 units 32 -

26/3/21 - - 30 units

Prepare a stores ledger account using weighted average method.

1. In a factory guaranteed wages at the rate of $18.00 per hour are paid in a 48-hour week. By time and motion study it is estimated that to manufacture one unit of a particular product 25 minutes are taken. The time allowed is increased by 25%. During one week Abraham produced 180 units of the product. Calculate his wages under each of the following methods: (a) Halsey premium bonus and (b) Rowan premium bonus.
2. From the following particulars relating to 4 jobs of a manufacturing company ascertain the total cost of each job and selling price of each job. Assuming that profit mark-up is 25% on selling price.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars | Job A | Job B | Job C | Job D |
| Materials | 1,600 | 2,000 | 2,400 | 2,800 |
| Wages | 800 | 1,000 | 1,200 | 1,400 |
| Direct Expense | 160 | 200 | 240 | 280 |

Works overhead is 50% prime cost and office overhead is 20% on works cost.

**Section C**

**III.** Answer ***any three*** of the following. (**15 x 3 = 45 marks)**

1. Briefly explain the classification of cost in detail.
2. The following is a summary of the receipts and issues of materials in a factory during the month of April. Prepare a stores ledger using FIFO method.

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Particulars | Qty. | Rate per unit $ |
| 1 | Received | 2000 | 10 |
| 5 | Received | 300 | 12 |
| 8 | Issued | 1200 | - |
| 10 | Received | 200 | 14 |
| 12 | Issued | 1000 | - |
| 23 | Received | 300 | 11 |
| 31 | Issued | 200 | - |

1. The data pertaining to Bangalore Ltd. supplies is as follows. Prepare a cost sheet.

Amount in $

|  |  |
| --- | --- |
| Stock of raw materials on 1st Sept., 2021 | 75,000 |
| Stock of raw materials on 30th Sept., 2021 | 91,500 |
| Direct wages | 52,500 |
| Indirect wages | 2,750 |
| Sales | 2,00,000 |
| Work-in-progress on 1st Sept., 2021 | 28,000 |
| Work-in-progress on 30th Sept., 2021 | 35,000 |
| Purchases of raw materials | 66,000 |
| Rent, rates and power | 15,000 |
| Depreciation of plant and machinery | 3,500 |
| Expenses on purchases | 1,500 |
| Carriage outward | 2,500 |
| Advertising | 3,500 |
| Office rent and taxes | 2,500 |
| Travellers’ wages and commission | 6,500 |
| Stock of finished goods on 1st Sept., 2021 | 54,000 |
| Stock of finished goods on 30th Sept., 2021 | 31,000 |

1. In an engineering factory, the following particulars have been extracted for the year ended 31-12- 2015.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | Production Dept. | | | Service Dept. | |
|  | A | B | C | X | Y |
| Direct wages | 30,000 | 45,000 | 60,000 | 15,000 | 30,000 |
| Direct materials | 15,000 | 30,000 | 30,000 | 22,500 | 22,500 |
| Staff number | 15,000 | 2,250 | 2,250 | 750 | 750 |
| Electricity (Kwh) | 6,000 | 4,500 | 3,000 | 1,500 | 1,500 |
| Asset value | 60,000 | 40,000 | 30,000 | 10,000 | 10,000 |
| Light points | 10 | 16 | 4 | 6 | 4 |
| Area (square meters) | 150 | 250 | 50 | 50 | 50 |

The expenses for the period were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Lighting | 200 | Repairs | 6,000 |
| Stores overhead | 800 | General overheads | 12,000 |
| Welfare to staff | 3,000 | Rent and taxes | 550 |
| Power | 1,100 | Depreciation | 30,000 |

Apportion the expenses of service dept Y according to direct wages and those of service dept X in the ratio of 5:3:2 to the production departments.  
You are required to prepare an Overhead Distribution summary.

**Section D**

**III. Answer the following. (15 x1= 15marks)**

1. The product of a company passes through 3 distinct process. The following information is obtained from the accounts for the month ending January 31, 2019.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Process A** | **Process B** | **Process C** |
| Direct Materials | $ 7,800 | $ 5,940 | $ 8,886 |
| Direct Wages | $ 6,000 | $ 9,000 | $ 12,000 |
| Production Overheads | $ 6,000 | $ 9,000 | $ 12,000 |
| Output (units) | 2,850 | 2,520 | 2,250 |
| Normal Loss | 5% | 10% | 15% |
| Realizable value of scrap | Rs. 2 | Rs. 4 | Rs. 5 |

3,000 units at $ 3 each were introduced to process A

There was no stock of materials or work in progress.

The output of each process passes directly to the next process and finally to finished stock A/c. Prepare Process Account, Normal Loss Account and Abnormal Gain or Loss Account.