

(FOR THE CANDIDATES ADMITTED  
DURING THE ACADEMIC YEAR 2020 Onwards)

20UMA4A5

REG.NO. :

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI**

**END-OF-SEMESTER EXAMINATIONS : JULY 2022**

**COURSE NAME: B.Sc.-Mathematics SF**

**MAXIMUM MARKS: 70**

**SEMESTER:IV**

**TIME : 3 HOURS**

**PART - III**

**COST AND MANAGEMENT ACCOUNTING**

**SECTION - A**

**(10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

**MULTIPLE CHOICE QUESTIONS.**

**(K1)**

- The main purpose of cost accounting is to \_\_\_\_\_.  
 a) Maximise Profit and minimize loss  
 b) Help in inventory valuation  
 c) Assist management in decision-making related to cost  
 d) Comply norms issued by Government
- Direct material is a \_\_\_\_\_.  
 a) Selling and distribution cost  
 b) Administrative cost  
 c) Manufacturing cost  
 d) Work cost
- Management accounting is mainly \_\_\_\_\_.  
 a) Future oriented  
 b) Past oriented  
 c) Customer oriented  
 d) Bank oriented
- Fund Flow Statement is also known as \_\_\_\_\_.  
 a) Statement of flow of funds  
 b) Statement of Sources and applications of funds  
 c) Statement of changes in financial statement  
 d) Statement of affairs
- is prepared after preparation of all other functional budgets.  
 a) Cash Budget  
 b) Flexible budget  
 c) Sales Budget  
 d) Capital Budget

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.**

**(K2)**

- Indicate the elements of cost.
- Infer about Time-Rate system of payment for a labour.
- Define Management Accounting.
- Explain any one objective of cash flow statement.
- Construct any one factor that should be considered when performing ratio analysis?

**SECTION – B**

**(5 X 4 = 20 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Describe the advantages of cost accounting.

**(OR)**

- b) Calculate raw material consumed from the following details.

Particulars	Rs.
Raw materials purchased	80,000
Sale of material Scrap	1,000
Opening Stock of Raw Material	2,000
Closing Stock of Raw Material	21,000

**(CONTD.....2)**

- 12.a) Calculate the economic order quantity from the following particulars:  
Annual Usage - 20,000 Units; Buying cost per order – Rs.10; Cost per unit – Rs.100;  
Cost of carrying inventory – 10% of cost.

(OR)

- b) Mr.Ramesh works in a factory where the following particulars apply:  
Normal rate per hour : Rs.3.00  
Normal piece rate : 20% more of time rate  
Expected output is 40 units per hour. Ramesh produces 314 units in a 8 hour day.  
Calculate his wages for the day on i) Time basis and ii) Piece basis

13. a) Point out the scope of management accounting.

(OR)

- b) Outline the disadvantages of management accounting.

- 14.a) The following are the summarized balance sheet of a company a on 31<sup>st</sup> December 2019 and 31<sup>st</sup> December2020.

Liabilities	2019	2020	Assets	2019	2020
Share Capital	1,00,000	1,25,000	Land & Building	1,00,000	95,000
General Reserve	25,000	30,000	Machinery	75,000	85,500
P&L A/c	15,250	15,300	Stock	50,000	37,000
Banl Loan (Long Term)	35,000	-	Sundry Debtors	40,000	31,100
Sundry Creditors	75,000	67,600	Cash	250	300
Provision for Taxation	15,000	17,500	Bank	-	4000
-	-	-	Goodwill	-	2,500
	2,65,250	2,55,400		2,65,250	2,55,400

Prepare Statement of changes in the working capital.

(OR)

- b) Calculate Cash from Operating activities from the following;

	Rs.
Net Loss after Adjustment	1,40,000
Depreciation	32,000
Preliminary Expenses Written off	10,000
Goodwill Written off	12,000
Provision for Doubtful Debts	8,000
Commission Accrued	16,000
Dividend Received	26,000
Outstanding Wages	12,000

15. a) Following is the Balance Sheet of Asokan Ltd.

Particulars	Rs.	Particulars	Rs.
Equity Share Capital	1,50,000	Fixed Assets	1,60,000
Reserve Fund	30,000	Stock	24,000
8% Debentures	20,000	Debtors	50,000
Creditors	50,000	B/R	10,000
		Bank	6,000
	2,50,000		2,50,000

Find out a) Current Ratio b) Quick Ratio.

(CONTD.....3)

(OR)

- b) Using the following information, prepare a flexible budget for the production of 80% and 100% activity.

Production at 50% Capacity	5,000 Units
Raw Materials	\$80 per unit
Direct Labor	\$50 per unit
Direct Expenses	\$15 per unit
Factory Expenses	\$50,000 (50) (Fixed)
Administration Expenses	\$60,000 (Variable)

## SECTION - C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS . (16<sup>th</sup> QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS (FROM Qn. No : 17 to 21) (K4 (Or) K5)

16. Ram Co.Ltd. has two production and two service departments namely P1, P2 and S1, S2 respectively. From the following information, prepare a statement showing primary distribution of overheads:

Particulars	P1	P2	S1	S2
Area Occupied (Sq.feet)	1,000	800	200	400
Assets Value (Rs.'000)	200	100	60	20
No. of workers	80	40	40	20
Light Points	20	12	4	4
H.P of machine	20	10	8	2
Direct Wages (Rs.'000)	20	16	10	6
Direct materials (Rs.'000)	30	20	6	4

Total expenses and charges during the period ended are:

Particulars	Rs.
Rent, Rates & Taxes	18,000
Power	12,500
Insurance	9,500
Depreciation	38,000
Canteen Expenses	5,400
Electricity	3,600
Indirect Materials	6,000
Indirect Wages	10,400
Repairs & Maintenance	19,000
Sundries	5,200

17. From the following information prepare a cost sheet for the month of January 2018

Stock of Raw materials on 1 <sup>st</sup> January	25,000
Stock of Raw materials on 31 <sup>st</sup> January	26,200
Purchase of Raw Materials	21,900
Carriage on purchases	1,100
Sale of finished goods	72,300
Direct wages	17,200
Non-productive wages	800
Direct expenses	1,200
Factory overheads	8,300
Administrative overheads	3,200
Selling overheads	4,200

(CONTD.....4)

18. The following information is extracted from the store ledger during January 2020;

Date	Particulars	Units & Rs.
1 Jan	Opening Stock	1,000 Units at Rs.26 each
5 Jan	Purchased	500 Units at Rs.24.50 each
7 Jan	Issued	750 Units
10 Jan	Purchased	1,500 Units at Rs.24 each
12 Jan	Issued	1,100 Units
15 Jan	Purchased	1,000 Units at Rs.25 each
17 Jan	Issued	500 Units
18 Jan	Issued	300 Units
25 Jan	Purchased	1,500 Units at Rs.26 each
29 Jan	Issued	1,500 Units

Adopt FIFO method of issue and ascertain the value of closing stock

19. Compare Cost and Management Accounting

20. From the following balance sheets of Kites Limited, prepare a statement of changes in working capital and fund flow statement.

Assets	2019	2020
Land & Buildings	2,00,000	2,50,000
Plant & Machinery	1,50,000	1,80,000
Furniture & Fittings	1,00,000	70,000
Stock	75,000	60,000
Debtors	90,000	1,00,000
Cash	30,000	60,000
Short-Term Investments	20,000	15,000
<b>Total</b>	<b>6,65,000</b>	<b>7,35,000</b>
Liabilities	2019	2020
Share Capital	2,00,000	3,00,000
Profit and Loss Account	1,50,000	1,80,000
Creditors	15,000	55,000
8% Debentures	3,00,000	2,00,000
	<b>6,65,000</b>	<b>7,35,000</b>

21. Define Budgeting. Elucidate with its types

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