Jamia Hamdard
School of Management and Business Studies
Department of Management **Roll No...**
Odd Semester Examination - January 2024
MBA Integrated -VII Semester
Financial and Management Accounting (MBA(I) FG 103)

Duration: 3 Hour Max.Marks -75

Note: Attempt any Five Questions, all questions carry equal marks(15X5=75)

Q1: From the following details prepare cost sheet for M/S Wilcon Enterprise for the period ended on December 2022.

Particulars	Amount (Rs.)
Opening stock of Finished goods (5000 units) (Completely sold during the year)	45000
Opening stock of Raw materials	3100
Raw materials purchased	2,60,000
Closing stock of Raw Material	1000
Direct Wages	1,05,000
Chargeable expenses	20,000
Productive labour	12,000
Factory overhead	100% of Direct wages
Administration overhead	Rs. 1 per unit produced
Selling and Distribution overhead	Rs. 1 per unit sold
Closing stock of finished goods (10000 units)	
Profit	10% of Selling Price
Sales (45000 units)	

Q2: Answer the following question. Each question carries equal marks.

a) Explain what do you mean break-even point with the help of an example and diagram.
b) The main objective of financial accounting is to give information to the managers for rational decision making. Comment
c) Explain the difference between sunk cost and future cost with help of appropriate examples.

Q3: Pinnacle Ltd, has given the following data.

Standard Output- 100 units	Actual Output- 80 units
Standard Price- Rs. 2 per kg	Actual Price- 2.5 per kg
Standard Quantity- 3 kg per unit	Actual Quantity- 250 kg
Standard time – 4 hrs per unit	Actual time- 500 hrs
Standard rate- Rs. 10 per hour	Actual Rate- Rs. 12 per hour
Std fixed overheads-Rs.2.7 per unit	Actual fixed overheads- Rs.232
Std variable overheads- Rs. 4 per unit	Actual variable overheads- Rs. 350

Calculate direct material, labour, and overheads variances.

Q4: For production of 10,000 Electrical Chippers, the following are budgeted expenses. Prepare a budget for production of 6500, 4250, and 8800 electrical chippers.

Particulars	**Amount.(Rs.)**
Direct Materials	600
Direct Labour	300
Variable Overheads	250
Fixed Overheads (Rs.1,50,000)	150
Variable Expenses (Direct)	50

Selling Expenses(10%Fixed)	50
Administrative Expenses (100% Fixed)	50
Distribution Expenses (20% Fixed)	50
Total cost of Sale per unit	1500

Q5: Zenith Ltd has quoted the following information of its current year sales. Sales Price-Rs.20 per unit, Variable manufacturing cost-Rs.11 per unit, Variable selling cost-Rs.3 per unit, Fixed Factory overheads- Rs. 5,40,000, Fixed selling Costs- Rs. 2,52,000. You are required to calculate

a) BEP in units and in value
b) Sales required to earn a profit of Rs. 60,000
c) Sales required to earn a profit of 10% of sales
d) New BEP if variable manufacturing expenses increases by 20%.

Q6: Nikee Ltd. Company makes and sells 12,000 pairs of running shoes each year. The cost of making one pair of these shoes is

Direct material	Rs.1100
Variable manufacturing overhead	500
Direct labour	400
Fixed manufacturing overhead	700

The fixed overhead costs are unavoidable. The company allocates fixed overhead costs based on its annual capacity of 15,000 pairs it is able to make. An overseas company recently offered to buy 3,000 pairs of shoes at Rs. 2100 per pair. Regular customers buy shoes from ABC Ltd. at Rs.3000 per pair. How much is incremental income if the company accepts the special order? Should the company accept it?

Q7: ABC Computers Ltd. has the following transactions for the month of July. Pass Journal entries in the books of ABC Computers Ltd. And prepare ledger for cash account, purchase account and sales account.

July 1. Owner invested Rs. 500,000 cash along with computer equipment that had a market value of Rs.120,000 two years ago but was now worth Rs.100,000 only.
July 2. Paid Rs.15,000 cash for the rent of office space for the month.
July 4. Purchased Rs.12,000 of additional equipment on credit (due within 30 days).
July 8. Sold Computer to a client and immediately collected the Rs.32,000 cash.
July 10. Sold computer to Thomas and sent a bill for Rs.27,000 to be paid within 30 days.
July 12. Purchased additional equipment for Rs.8,000 in cash.
July 15. Paid an assistant Rs.6,200 cash as wages for 15 days.
July 18. Collected Rs.15,000 on the amount owed by the client.
July 25. Paid Rs.12,000 cash to settle the liability on the equipment purchased.
July 28. Owner withdrew Rs.500 cash for personal use.
July 30. Sold a computer to Gary who paid only half of the amount of Rs.40,000
July 31. Paid salary of assistant Rs. 700.
July 31. Paid stationary bill, Rs.1,800 and telephone bill Rs.3,800

Q8: The following statements may be true or false. Please read the sentences and answer with justification if it is true or false. (Each question carries equal marks)

a) Bad debt reserve is recorded in the books of accounting on account of dual aspect concept.
b) The contingent liability is recorded on the liability side of the balance sheet.
c) There is similarity between the realization concept and mercantile system of accounting.