School of Management and Business Studies
JamiaHamdard
MBA General Semester-I
Financial And Management Accounting (Paper Code-MBA FG-103)

Maximum Marks:75 Maximum Time: 3 Hours

ANSWER ANY 5 QUESTIONS. EACH QUESTION CARRIES 15 MARKS

Q.1 Answer the following questions, each question carries equal marks

a) State the difference between management accounting and financial accounting
b) Why is capital treated as liability in business?
c) Explain in your own words what do you mean by realization concept with example
d) Discuss the convention of materiality
e) Explain matching concept with examples.

Q.2 From the following information, prepare a cost sheet showing the total cost per ton for the period ended on December 31, 2016.

Raw materials	33,000	Rent and taxes (office)	500
Productive wages	35,000	Water supply	1,200
Direct expenses	3,000	Factory insurance	1,100
Unproductive wages	10,500	Office insurance	500
Factory rent and taxes	2,200	Legal expenses	400
Factory lighting	1,500	Rent of warehouse	300
Factory heating	4,400	**Depreciation:**	
Motive power Haulage	3,000	Plant and machinery	2,000
Director's fees (works)	1,000	Office building	1,000
Directors fees (office)	2,000	Delivery vans	200
Factory cleaning	500	Bad debt	100
Sundry office expenses	200	Advertising	300
Factory Expenses	800	Sales department salaries	1,500
Factory stationery	750	Up keeping of delivery vans	700
Office stationery	900	Bank charges	50
Loose tools written off	600	Commission on sales	1,500

The total output for the period has been 10000 tons. Calculate 20% profit on selling price and determine the sales.

Q.3 Answer the following questions, Each question carries equal marks

a) Explain the valuation of special orders with help of an example
b) Explain the concept of future cost and sunk cost with example
c) Discuss how the costing is done for joint products with example

d) Discuss the make or buy decision and its implications

e) Discuss the management of constraints or bottleneck in a system

Q.4 Journalize the following in the books of Ram for the month of January, 2017.

Jan 1	Started business with a capital of	Rs. 300000
Jan 3	Bought furniture for Radhey& co.	Rs.10000
Jan 7	Bought goods from Sunil	Rs. 4000
Jan 8	Sold goods to Dilip	Rs. 2500
Jan 10	Purchased from Mihir for cash	Rs.4200
Jan 13	Sold goods to Raj @ 10 % trade discount	Rs.2300
Jan 14	Goods returned by Dilip	Rs.650
Jan 16	Received cash from Dilip in full settlement	
Jan 17	Paid to Radhey& Co.	
Jan 18	Paid salaries	Rs. 125
Jan 19	Deposited in the bank	Rs. 700
Jan 22	Paid to Sunil in full settlement	
Jan 25	Paid shop rent for the month	Rs2000
Jan 27	Paid house rent for the month	Rs.1500

Q.5 What do you understand by budgetary control. Discuss essentials of an effective budgetary control system and the limitations of budgetary control

Q.6 ABC Ltd. produces a product Z using material A,B and C. With the help of the following information calculate direct material cost variance, price variance and usage variance for material A,B and C.

Standard cost per kg of output is as under:

Material	Quantity (in kg)	Price (in Rs per kg)
A	800	2.50
B	200	4.00
C	200	1.00

Actual cost for production of 200 units of output is as under:

Material	Price(in Rs per kg)
A-1,57.000	2.41
B- 38,000	4.22
C- 36,000	1.15

Q.7 Answer the following questions, each question carries equal marks

a) A company produces a product which costs Rs 5 per unit when produced in quantities of 60,000 units while it costs Rs 5.2 per unit when produced in quantities of 50,000 units. Estimate the fixed cost of the company

b) The projected sales of a plant is Rs.70,000. The variable cost for this level of production were determined to be Rs.30,000 and the fixed cost projected to be Rs.20,000. Calculate the break even point of the plant and the profit or loss if the level of sales were Rs.49,000 and Rs.28000. Also calculate the amount of sales required to earn a profit of Rs. 28,000.

c) The selling price is Rs. 20 per unit. Variable cost Rs.14 Per unit while the fixed cost is Rs. 7,92,000. Sales is Rs. 30,00,000. Then calculate the margin of safety in value and volume. Also estimate the sales required to earn a profit of Rs. 60,000 and the sales required to earn a profit of 20% of sales.

Q.8 a) What do you understand by standard costing? Explain its objectives and limitations (7 marks)

b) State the meaning and importance of Cost sheet and the elements of cost (8marks)