



RAN-0408

Third Year B.Com (Hons.) (SEM VI) Examination

March / April - 2019

Management Accountancy Paper VIII

સૂચના : / Instructions

નીચે દર્શાવેલ નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fill up strictly the details of signs on your answer book

Name of the Examination:

Third Year B.Com (Hons.) (SEM VI)

Name of the Subject :

Management Accountancy Paper VIII

Subject Code No.: 0 4 0 8

Seat No.:

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Student's Signature

Q.1 (a) What is Zero Based Budgeting? (02)

(b) State whether the following transactions result in source or application of funds or does not affect funds: (4)

- (1) Sale of goods for cash at Rs. 25,000.
- (2) Provided for bad debt reserve Rs. 20,000.
- (3) Non-trading incomes Rs. 5,000.
- (4) Goods returned to the suppliers Rs. 10,000.

(c) Data about a company for March 2018 as follows: (04)

Total Direct labour (paid)	Rs. 7200
Direct standard hours	2000 hours
Standard wage rate per hour	Rs. 3
Actual paid hours	1800 hours
Abnormal time	100 hours

Calculate labour variances.

- Q.2** A factory is currently working to 50% capacity and produces 10,000 units. Estimate the profits of the company when it works to 60% and 80% capacity and offer your comments. **(14)**

At 60% working, Raw Material cost increases by 2% and selling price falls by 2%. At 80%, Raw Material cost increases by 5% and selling price falls by 5%. At 50% capacity working, the product costs Rs. 180 per unit and is sold at Rs. 200 per unit.

The Unit cost of Rs. 180 is made up as follows:

Material	Rs. 100
Labour	Rs. 30
Factory Overhead	Rs. 30 (40% fixed)
Administration Overhead	Rs. 20 (50% fixed)
	Rs. 180

- Q.3** The Balance Sheet of Rina Ltd. as on 31-3-2011 and 31-3-2012 are as follows : **(14)**

Liabilities	31-3-18	31-3-19	Assets	31-3-18	31-3-19
10% Redeemable Pref. share capital each of Rs. 7 per share paid up	70,000	—	Goodwill	80,000	60,000
Equity share capital each of Rs. 10 fully paid up	2,00,000	3,00,000	Land & Building	1,60,000	2,50,000
Securities Premium	15,000	10,000	Plant & Machinery	1,40,000	2,00,000
General Reserve	80,000	50,000	Investments	40,000	—
Profit & Loss A/c	35,000	75,000	Stock	30,000	50,000
12% Debentures	—	1,00,000	Debtors	44,000	40,000
Bank Overdraft	20,000	—	Bills Receivable	10,000	10,000
Creditors	50,000	60,000	Cash	10,000	11,000
Provision for Taxation	24,000	30,000	Bank balance	—	40,000
Proposed Dividend	20,000	36,000			
	5,14,000	6,61,000		5,14,000	6,61,000

Additional Information :

During the year ending 31st March, 2019.

- 1) Investments are sold at profit of 20% on its sales proceeds.
- 2) Depreciation written off: on Land and Building Rs. 30,000;
on Plant and Machinery Rs. 25,000.
- 3) The company has redeemed redeemable pref. shares with 5% premium after observing necessary requirements of Act. For the purpose of redemption of pref. shares, the amount of Rs. 1, 00,000 has been transferred from General Reserve to Capital Redemption Reserve.
- 4) The company issued Bonus Shares to the existing equity shareholders from Capital Redemption Reserve, in the proportion of 2:1
- 5) Debentures were issued at 5% discount.
- 6) Rs. 25,000 has been paid as tax for the last year and the amount of Proposed dividend of the last year has also been paid.

From the above information, prepare Cash Flow Statement.

Q.4 Write short notes (Any Two) (12)

- (1) Responsibility Accounting.
 - (2) Budget and Budgetary Control.
 - (3) Fund Flow Statement.
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