

JK Lakshmipat University Jaipur
INSTITUTE OF MANAGEMENT

End Term Examination, December 2023
BBA, Semester III, 2022-25

Roll No.....

FA1102: Management Accounting

Time: 3 hours

Max. Marks: 40

Instructions to students:

1. Do not write anything other than your roll number on question paper.
2. Students are allowed to use non-scientific calculator.

Answer any 4 questions from the given below of 10 marks each.

Q1. Choose the correct option and show the workings. Note: A mere selection of an option without an appropriate working note will fetch no marks. (Each Question of 2 marks) (LO-3)

a. Product Z has a P/V ratio of 28%. Fixed operating costs directly attributable to Product Z during the Quarter II of the financial year will be ₹2, 80,000. Calculate the Sales Revenue required achieving a quarterly profit of ₹70,000.

(a) 10 Lakhs (b) 12.50 Lakhs

(c) 15 Lakhs (d) None of these

b. The P/V ratio of Delta Ltd., is 50% and the MOS is 40%. The company sold 500 units for ₹5, 00,000. Calculate BEP.

(a) 500 units (c) 400 units

(b) 300 units (d) None of these

c. If break-even sales is 60% of current sales and profit is ₹ 60,000, then the amount of contribution will be (a) ₹1,00,000 (c) ₹1,50,000 (b) ₹36,000 (d) ₹1,86,000

d. The cost per unit of a product manufactured in a factory amounts to ₹ 160 (75% variable) when the production is 10,000 units. When production increases by 25%, the cost of production will be ----- ₹ per unit.

(a) ₹145 (c) ₹150

(b) ₹152 (d) ₹ 140

e. A company has estimated Selling prices and variable costs of one of its products as follows: Selling price per unit 40, 50, 60 and Probability 0.30, 0.45, 0.25. Variable cost per unit 20, 30, 40 and Probability 0.55, 0.25, 0.20. The company will be able to supply 1000 units of its product each week irrespective of the selling price. Selling price and variable cost per unit are independent of each other. The probability that the weekly contribution will exceed Rs. 20000 is -----%

a. 40% c. 45%

b. 42% d. 55%

Q2. Next years budgeted sales and cost of single product produced by Sakshi Ltd is estimated as follows (Lo-2)

Selling price per unit is Rs. 12. Sales Demand/probabilities are 3200 units (0.50), 4000 (0.30) and 5000 units (0.20). Similarly Variable cost/probabilities are Rs. 5(0.3), Rs. 6(0.50) and Rs. 7(0.2). Fixed cost for the period is Rs. 20,000.

Required:

- Expected value of sales for the period.
- Expected variable cost and contributions for the period.
- Expected profit or loss for the budget period.

Q3. You are given the following particulars concerning Aryan Ltd, a manufacturing organization: (LO4)

At 80% Capacity (Rs.)	
Variable overheads	
Indirect Labor	12000
Stores (including spares)	4000
Semi-Variable overheads:	
Power (30% fixed)	20,000
Repair & Maintenance (60% Fixed)	2000
Fixed overheads	
Depreciation	11000
Insurance	3000
Salaries	10000
Total overheads	62000
Estimated Direct Labor Hours	124000 Hours

You are required to:

- Draw a flexible budget for overhead expenses based on the above data at 80% and 90% plant capacity.
- Determine the overhead rates per hour at 80% and 90% plant capacity.

Q.4

PH Ltd is manufacturing company having three production departments, A, B and C and two service departments X and Y. The following is the budget for March 2023. (LO1)

Particulars	Total	A	B	C	X	Y
Direct Material		1000	2000	4000	2000	1000
Direct Wages		5000	2000	8000	1000	2000
Factory Rent	4000					
Power	2500					
Depreciation	1000					
Other overheads	9000					

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Additional information-

Particulars		A	B	C	X	Y
Area	(Sq ft)	500	250	500	250	500
Capital Value of Assets	(Rs. Lakhs)	20	40	20	10	10
Machine Hours		1000	2000	4000	1000	1000
Horsepower of Machines		50	40	20	15	15

A Technical Assessment or the apportionment of expenses of service department is as under-

Particulars	A	B	C	X	Y
Service Dept X(%)	45	15	30	-	10
Service Dept Y(%)	60	35	-	5	-

Required-

- A Statement showing distribution of overheads to various department.
- A Statement showing re-distribution of service departments expenses to production departments.
- Machine hour rates of dept A, B and C.

Q5. The normal working week in a factory is of 44 hours. A worker is paid 50 paise per hour, overtime at 1 ½ time the hourly rate and a bonus 25 paise for every 100 articles produced in excess of 5000 per week. Calculate the wages for the following particulars taken from his time and job card.(LO5)

Day	In	Out	In	Out	output
Friday	8.00	12.00	1.00	5.30	950
Saturday	8.00	11.39	-	-	545
Monday	8.30	12.00	1.00	8.00	1106
Tuesday	8.00	12.00	1.00	6.00	1052
Wednesday	8.00	12.00	1.00	6.30	1002
Thursday	8.00	12.00	1.00	7.00	1112

all the best!

