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5 SEM TDC DSE COM (CBCS) 501 (GR-I)

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(Nov/Dec)

COMMERCE

(Discipline Specific Elective)

(For Honours and Non-Honours)

Paper : DSE-501 (Group—I)

(**Management Accounting**)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks
for the questions.*

1. (a) Write True or False : 1×4=4
- (i) Management Accounting relates to presentation of accounting data.
 - (ii) Differential costs and marginal costs are the same.
 - (iii) Efficiency ratio determines the capacity used by the factory.
 - (iv) Responsibility centers may have both inputs and outputs.

(2)

(b) Fill in the blanks :

1×4=4

- (i) Cash Flow Statement is prepared from _____ A/c.
- (ii) Fixed Costs are treated as period costs under _____ costing.
- (iii) Budgetary control is a system of controlling _____.
- (iv) Margin of safety can be improved by reducing the _____ cost.

2. Write short notes on any four of the following :

4×4=16

- (a) Duties of Management Accountant
- (b) Make or Buy Decision
- (c) Master Budget
- (d) Responsibility Accounting
- (e) Statement of Working Capital

3. (a) Explain the objectives of Management Accounting. Distinguish between Cost Accounting and Management Accounting.

7+7=14

Or

(b) Discuss the tools and techniques of Management Accounting. Narrate the limitations of Management Accounting. 6+8=14

4. (a) What do you mean by Fund and Fund Flow Statement? Elaborate the uses of a Fund Flow Statement. 3+3+8=14

Or

(b) Following are the Balance Sheets of Warren Co. Ltd. as on 31st March, 2019 and 31st March, 2020 :

<i>Capital & Liabilities</i>	<i>2019</i>	<i>2020</i>
	₹	₹
Share Capital	2,10,000	2,50,000
Sundry Creditors	39,500	41,135
Bills Payable	33,780	11,525
Bank Overdraft	49,510	10,000
Provision for Tax	40,000	50,000
Reserves	50,000	50,000
Surplus	39,690	41,220
	<u>4,62,480</u>	<u>4,53,880</u>

Assets	2019 ₹	2020 ₹
Bank Balance	12,500	12,700
Debtors	75,175	62,625
Prepaid Expenses	2,315	735
Inventory	1,11,040	97,370
Land & Building	1,48,500	1,44,250
Plant & Machinery	1,12,950	1,16,200
Goodwill	—	20,000
	<u>4,62,480</u>	<u>4,53,880</u>

Additional Information :

(i) An additional dividend of ₹ 26,000 was paid during the year ended 31st March, 2020

(ii) The assets of another company were purchased for ₹ 60,000, payable in fully paid shares of the company. The assets purchased included inventory ₹ 21,640; Machinery ₹ 18,360 and Goodwill ₹ 20,000. In addition, Furniture was purchased worth ₹ 5,650

(iii) Income tax paid during 2019–2020 was ₹ 25,000

(iv) The net profit for the year before tax was ₹ 60,000

Prepare Cash Flow Statement by Indirect Method.

5. (a) Mention three advantages and three disadvantages of Absorption Costing. How is profit or loss ascertained under Marginal Costing? $3+3+8=14$

Or

- (b) Following information relates to Vishal Co. Ltd. :

Items	Cost ₹
Materials	70,000
Labour	20,000
Variable Overheads	10,000
Sales	4,00,000
Fixed Cost	2,50,000

Prepare Income Statement under—

- (i) Absorption Costing;
- (ii) Marginal Costing. $7+7=14$
6. (a) "Budgetary Control is essential for policy planning and control." Explain the statement. Point out the essential qualities of a good budgetary control system. $7+7=14$

Or

(b) Prepare a Flexible Budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90% plant capacity:

	At 70% Capacity ₹	At 80% Capacity ₹	At 90% Capacity ₹
Variable Overheads :			
Indirect Labour		12,000	
Stores and Spares		4,000	
Semi-variable Overheads :			
Power (60% fixed, 40% variable)		20,000	
Repairs & Maintenance (60% fixed, 40% variable)		2,000	
Fixed Overheads :			
Depreciation		11,000	
Insurance		3,000	
Salaries		10,000	
Estimated Direct Labour—124000 hours			