JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -2 EXAMINATION- 2025

BBA Semester III

COURSE CODE (CREDITS):23BB1HS313 (4) MAX. MARKS: 25

COURSE NAME: Management Accounting

COURSE INSTRUCTORS: TGM MAX. TIME: 1 Hour 30 Min

Note: *(a) All questions are compulsory.*

(b) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems

(c) The use of calculators is allowed.

Q.No	Question	CO	Marks
Q1	(see below)		5

Month	Sales Rs.	Materials Rs.	Wages Rs.	Overheads Rs.
January	60,000	40,000	11,000	6,200
February	56,000	48,000	11,600	6,600
March	64,000	50,000	12,000	6,800
April	80,000	56,000	12,400	7,200
May	84,000	62,000	13,000	8,600
June	76,000	50,000	14,000	8,000

Additional information:

1. Expected Cash balance on 1st April, 2006 – Rs. 20,000
2. Materials and overheads are to be paid during the month following the month of supply.
3. Wages are to be paid during the month in which they are incurred.
4. All sales are on credit basis.
5. The terms of credits are payment by the end of the month following the month of sales: Half of credit sales are paid when due the other half to be paid within the month following actual sales.
6. 5% sales commission is to be paid within in the month following sales
7. Preference Dividends for Rs. 30,000 is to be paid on 1st May.

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<tr><td></td><td>8. Share call money of Rs. 25,000 is due on 1st April and 1st June.

9. Plant and machinery worth Rs. 10,000 is to be installed in the month of January and the payment is to be made in the month of June.

From the information given above, prepare the cash budget for the months April to June 2006.</td><td></td><td></td></tr>
<tr><td>Q2</td><td>From the following information relating to Palomi Ltd., calculate the a) P/V ratio, b) Break even point c) Profit d) Margin of safety e) Sales to earn a profit of Rs6000.
Total fixed cost: Rs 4500
Total Variable cost: Rs 7500
Total sales: Rs 15000</td><td></td><td>1*5=5</td></tr>
<tr><td>Q3</td><td>PTC company is running its plant at 50% capacity. The management has supplied you the following details.
<table>
<tr><td></td><td>Per Unit (Rs)</td></tr>
<tr><td>Direct Material</td><td>4</td></tr>
<tr><td>Direct Labor</td><td>2</td></tr>
<tr><td>Variable overhead</td><td>6</td></tr>
<tr><td>Fixed overhead (Fully absorbed)</td><td>4</td></tr>
<tr><td>Production per month is 40,000 units</td><td></td></tr>
<tr><td>Sales price</td><td>Rs 14</td></tr>
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An exporter offers to purchase 10000units per month at Rs 13 per unit. Advise the company on whether it should or should not accept the offer. Give reasons in support of your answer.</td><td></td><td>4</td></tr>
<tr><td>Q4</td><td>What is the importance of budgetary control to the organizations operating in the current time? Elaborate with example.</td><td></td><td>5</td></tr>
<tr><td>Q5</td><td>Write short notes on a) Zero base budgeting b) Cost sheet c) Make or buy decision</td><td></td><td>2*3=6</td></tr>
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