159 : 1ST HALF-13 (p)-JP Management Information and Control System Paper - VIII BB-1890 (1)

Con. 7614-13. S.Y.P.G.D.F.M

(3 Hours) [Total Marks : 100

May 2013

N.B. (1) Attempt any **five** questions.

(2) **All** questions carry **equal** marks.

(3) Begin the answer for **each** question on a **new** page.

1. Define MIS. List and explain the components of MIS.

2. State and explain the levels of management based on information requirement.

3. How can the limitations of MIS be overcome ? Explain.

4. Write a short note on various business functions and their informational needs.

5. Explain the types of Management Control Systems.

6. Explain the various levels of Management Information System.

7. Write a short note on Budgetary Control.

8. What is disaster recovery plan ? Explain its components.

Management Accounting

Paper – VI

-2013-1

Con. 7750–13.

BB–1872 (2)

(3 Hours)

[Total Marks : 100

N.B. : (1) Question No. 1 is **compulsory**.
(2) Attempt any **three** questions from Question Nos. 2 to 6.
(3) Attempt any **one** question from Question Nos. 7 to 9.
(4) **All** questions carry **20** marks each.
(5) **Suitable** assumptions, working notes shall form **part** of answer.

Q1. The standard material cost for 100 kg of Chemical D is made up of:

Chemical A= 30 kg @ Rs. 4 per kg.

Chemical B= 40 kg @ Rs. 5 per kg.

Chemical C= 80 kg @ Rs. 6 per kg.

A batch of 500 kg of Chemical D was produced from a mix of:

Chemical A= 140 kg at a cost of Rs. 588

Chemical B= 220 kg at a cost of Rs. 1056

Chemical C= 440 kg at a cost of Rs. 2860.

How do the yield, mix and the price factors contribute to the variance in the actual cost per 100 kg of Chemical D over the standard cost?

Q2 A company operates at 50% of capacity utilization. At this level of operation, the sales value Rs. 9, 00,000. At 100% capacity utilization the following costs and relationships will apply:

Factory overheads Rs. 1, 80,000 (50% Variable)

Factory cost 60% of sales.

Selling costs (75% variable) is 20% of sales.

The company anticipates that its sales will increase upto 75% of capacity utilization. The company also receives a special order from a Government department. This order will occupy 15% of capacity utilization of the plant. The prime cost of this order is Rs 1, 35,000 and the variable selling cost will only be 2% of the sales value offered besides, the cost of processing the order is Rs.8, 000. The sales price offered is Rs. 1, 45,000.

Required: (1) Present a statement of profitability at 50% and 75% levels of activity.

(2) Evaluate the Government order and state whether it is acceptable or not.

Q3. You are given the following information for the next year

Particulars	Amount
Sales (10,000 units)	1,20,000
Variable Cost	48,000
Fixed Cost	60,000

(1) Find out the P.V. Ratio, Break-even point and the Margin of Safety.

(2) Evaluate the effect of following on P.V. Ratio, Break-even point and the Margin of Safety

(a) 10% increase in Variable Cost

(b) 10% increase in Selling Price and 10% decrease in Physical Sales Volume

(c) 10% increase in Fixed Cost

(d) 5% decrease in Selling Price

(e) 10% increase in Physical Sales Volume

[TURN OVER

Q4. Prepare a Cash Budget from July to December 2001 from the following of A Ltd.

1. Balance at bank on 1st July 2001 (estimated). is Rs. 10,000.
2. Sales are made to distributor on one month credit. 3% discount is given.
3. Plant purchases totaling Rs. 5,000 are to be made in July.
4. Budgeted figures are:

Items	July (Rs.)	Aug. (Rs.)	Sept. (Rs.)	Oct. (Rs.)	Nov. (Rs.)	Dec. (Rs.)
Purchases	5,000	4,000	3,000	4,000	4,000	5,000
Wages	4,000	5,000	4,000	4,000	5,000	4,000
Cash expenses	400	500	400	400	500	400
Sales	6,000	7,000	8,000	8,000	9,000	12,000

5. All purchases are made on one month credit.
6. Wages and Cash Expenses are paid in the same month in which they are incurred.

The company will be able to get an over draft facility from its bankers i.e. borrowings and repayment can be done

Q5. From the following data you are required to present.

(1) The marginal cost of product x and y and the contribution per unit.
(2) The total contribution and profits resulting from each of the suggested sales mix.

Particulars	Product	Per Unit (Rs.)
Direct Materials	X	10.50
Direct Materials	X	8.50
Direct Wages	Y	3.00
Direct Wages	Y	2.00

Variable expenses 100% of Direct Wages per product.
Fixed expenses (total) Rs. 800
Sales Price X Rs. 20.50 and Y Rs. 14.50

Suggested Sales Mix:

Alternatives	X (No. of Units)	Y (No. of Units)
A	100	200
B	150	150
C	200	100

Q6 The following data are available from the books of factory at the year ending 31st March, 2012.

Particulars	Amount (Rs.)
Direct Materials	18,00,000
Direct Labour	15,00,000

Factory Overheads	9,00,000
Administrative Overheads	8,40,000
Selling Overheads	10,50,000
Profit	12,18,000

Required:

(a) Prepare a Cost Sheet indicating the Prime Cost, Works Cost, Production Cost, Cost of Sales and Sales Value.

(b) In 2013-14 the factory has received an order for a number of jobs. It is estimated that the Direct Materials would be Rs. 24. 00,000 and Direct Labour would cost 15. 00,000. What would be the estimated price for these jobs assuming that –

- i) The factory intends to earn the same rate of profit on sales.
- ii) The Selling Overheads has gone up by 15%.
- iii) The factory recovers factory overhead as a percentage of Direct Labour and Administrative and Selling Overheads as a percentage of Works Cost, based on the cost rates prevalent in the previous year.

Q7. (a) Distinguish between Fixed and Flexible Budget.

(b) Discuss the benefits of Variance Analysis

Q8. "Marginal Costing is a more accurate decision making tool as compared to Standard Costing" Do you agree?

Q9. Write Short notes on any two:

(a) Cost Centre and Profit Centre importance in an organization

(b) Break Even Analysis

(c) Duties of Cost Auditor

(d) Distinguish between Forecasting and Budgeting

Con. 7925–13. BB–1875

(3 Hours) [Total Marks : 100

N.B. : (1) All questions are compulsory.
(2) Figures to the right indicate full marks.
(3) Working notes should form the part of your answer.
(4) Use of simple calculator is permitted.

1. Explain the following terms (any four) (20)
   a. Manufacture a per excise law
   b. Goods as per Custom Law
   c. Business as per C.S.T Act
   d. Exciseable goods
   e. Dealer as per C.S.T Act
2. As per Excise Law explain the provision relating to (16)
   a. Inter connected undertakings
   b. C E T A schedules
   c. Registration
   d. Excise Audit
   e. Plant and Machinery assembled at site

OR

2.Yasha & Co ,Mumbai produces a product. The cost of product is Rs.200 per unit and selling cost is Rs.50 per unit.the profit is Rs.80 per unit. The excise duty is due @ 12.36% During a month, actual production was 35,000 units. The discounts are offered to different class of buyers at different rates. The disposal of goods was as follows-

Class	Quantity (units)	Discount as a % of sales price
Distributor	15,000	20
Agent	8,000	15
Super Bazar	7,000	10
Retail outlet	5,000	05
Foreigners	5,000	15

Calcuate the duty payable

(16)

[TURN OVER

8. Discuss Capital Budget...

9 What are the Hedging contracts ? How do they differ from futures 'Option contract ?

3. Explain the provision under C.S.T Law (16)
    a. Goods under C.S.T
    b. Deemed Sales under C.S.T
    c. Dealer under C.S.T
    d. Registration
    e. Work Contract under C.S.T

OR

3 M/s .Siyana Traders.Bandra furnishes the following details of its sales and purchases in course of inter state trade during the quarter January-March 2012

	Rs.
Sales with C Form	2,50,000
Sales without C Form	60,000
Sales Return (with C form)	
For goods sold in July 2011	10,000
Sales return (without C Form)	
For the month of August,2011	15,000

Rate of Tax as per local Sales tax is 5%

Calculate C.S.T taxable (16)

Q.4 On 1st March,2012 Sharda Cosmetics Ltd, Murbad imported a Specially Designed Machine from USA. The cost of Machinery comprised of

Designing and development Cost	USD 1300
Production Cost	USD 7500
Transport cost to US port	USD200
Freight from US port to Mumbai	USD1250
Transit Insurance	USD 400
Freight from Mumbai to Murbad	Rs.10,000
Installation cost at Murbad	Rs.20,000

The landing charges at Mumbai @ 1% of CIF

1 USD=49Rs.Basic duty @20% plus cess @3% CVD @10%plus cess @ 3%.Calculate the total duty payable and Cenvat Credit Available (16)

OR

Q.4 Explain the provision as per Custom Act regarding self - assessment and provisional assessment (16)

Q.5 Explain the following with reference to Cenvat Credit Rules (16)

a. Utilization of Cenvat Credit
b. Exempted goods and services
c. Eligible duties
d. Eligible document for Cenvat credit

OR

Q.5 M/s Savitha Industries received the following articles during February 2012 (16)

Particulars	Amount
a) Raw materials	4,80,000
b) Lubricating oil	60,000
c) Diesel	1,50,000
d) Quality testing Machine	1,90,000
e) Pollution Control	80,000
f) Packing material	1,50,000
g) Processing Material	1,60,000
h) Office Equipment	1,20,000

The excise duty is at 14.42%.Calcuclate the total cenvat credit available

Q.6 Write a note on any two (16)

a. Liability to tax on interstate sales
b. Valuation of goods as per custom law
c. Recovery of duty as per Excise Law

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9. What are the Hedging contracts ? How do they differ from futures 'Option contract ?

Prepare a Cash Budget from the following :—

(a)	Sales : (Actual)	August	6,00,000
		Septemer	6,50,000
(b)	Sales forecost :	October	6,50,000
		November	7,50,000
		December	9,00,000
		January	7,00,000
		February	6,00,000

(c) Debtors : 30% of Sales on cash
40% on one month credit
30% on 2 months credit

(d) Purchase enough stock to cover one months sale in future plus 2,00,000 safety stock assuming profit 20% on selling price.

(e) 10% supllies for cash, 60% after 1 month, 30% after 2 months.

(f) Expenses :

Loan payment	20,000 p.m.
Wages	10,000 p.m.
Rent	15,000 p.m.
Other expenses	15% of Sales

(g) Firm will purchase a computer in November for ₹ 1,00,000 and pay advance tax of ₹ 2,00,000 in December.

(h) Maintain cash balance of 50,000 (Including at the beginning) any Surplus or excess in multiple of ₹ 10,000 can be adjusted against overdraft.
All borrowings carry interest at 1% p.m.

5. From the following particulars you are required to evaluate following two companies in respect of Net Profit, Earning per share, Operating Leverage and Financial Leverage.

	A ₹	B ₹
Selling Price	30	60
Variable cost	15	12
Units sold	2,000	6,000
Fixed cost	20,000	48,000
Interest	10,000	20,000
Equity shares	5,000	10,000

Assume tax rate of 40%.

Section II

6. Explain the methods of raising capital and significance of WACC.

7. What is bill discounting ? How does it differ from factoring ?

8. Discuss Capital Budgeting and methods of Project Evaluation.

9. What are the Hedging contracts ? How do they differ from futures 'Option contract ?

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Con. 7404-13. **BB-1863**

(3 Hours) [Total Marks : 100

N.B. (1) Answer any **three** questions from **Section I** and any **two** questions from **Section II**.
(2) **All** questions carry **eqaul** marks.
(3) **Both** the sections are to be answered in **same** answer book.

Section I

1. From the following data provided by XY Ltd. showing working capital requirements for the year 2012 :—
   (a) Estimated activity/operations for the year 6,00,000 units (50 weeks).
   (b) Raw material remains in stock for three weeks.
   (c) Production cycle takes four weeks.
   (d) Finished goods remaining in stock for five weeks.
   (e) Three weeks credit is allowed by half of the suppliers. Remaining supply will be on payment of four weeks advance.
   (f) Four weeks credit is allowed to 70% debtors, remaining 30% will be on cash basis.
   (g) Time lag in payment of wages and overheads is two weeks each.
   (h) Cash will be maintained at 10% of Gross Working Capital inclusive of cash.
   (i) Selling price per unit is ₹ 45, of which material will be 1/3 of sales, labour and overheads will be in the ratio 3 : 2 and profit will be 50% of cost.
   (j) Assume that operations are evenly spread throughout the year; wages and overheads accrue similarly.
   (k) Manufacturing process requires feeding of material fully at the beginning degree of work-in-progress is 50%. Debtors are to be estimated at Selling Price.

2. Following details are available :—
   (a) Composition : Debentures 50%, Preference shares 30%, Equity 20%.
   (b) Tax rate 40%.
   (c) Dividend rate ₹ 10 per share with annual growth of 10%.
   (d) Cost of issue Equity and Preference capital ₹ 10 per share.
   (e) **Options :** 12% debentures of ₹ 100 at par, 10% preference shares and equity shares of ₹ 10 each presently valued at ₹ 75.

   You are required to compute specific cost of capital for each source and also the weighted average cost of capital.

3. Following are the informations available in respect of project A, B and C with the following cash flows :—

Year	A ₹	B ₹	C ₹	Discounting Factor
1	1,00,000	2,00,000	3,00,000	0·909
2	2,00,000	3,00,000	4,00,000	0·826
3	3,00,000	5,00,000	3,50,000	0·751
4	4,00,000	3,00,000	2,50,000	0·683
5	5,00,000	2,00,000	2,00,000	0·621

With the help of Net Present Value, Profitability Index and Pay back period, recommend which project should be selected ?

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