

PGDM (RM), 2020-22
Financial & Managerial Accounting
RM-102

Trimester – I, End-Term Examination: October 2020

Time allowed: 2 Hrs 30 Min

Roll No: _____

Max Marks: 50

Note: Attempt any three questions from section A and section B is compulsory.

Section A (30 Marks)

Q. No 1: a) From the following data calculate (a) P/V Ratio (b) Variable Cost and (c) Profit ` Sales 80000 Fixed expenses 15000 Breakeven point 50000

b) Describes and distinguishes the different roles of financial accounting and management accounting 'play' in a professional service organisation. (CILOs 2)

Q. No 2: Write short notes on the following:

a) Depreciation, depletion and amortisation

b) Liquidity ratios

CILOs 1

Q. No 3: On 31st March, 2017 the following Trial Balance was extracted from the books of Mohan:-

	Dr. (□)	Cr. (□)
Capital		30,000
Drawings	5,000	
Debtors and Creditors	20,000	10,000
Bank Loan		9,500
Interest on Loan	300	
Cash	2,000	
Provision for Bad-Debts		700
Stock 1-4-2016	6,800	
Motor Vehicles	10,000	

Bank	3,500	
Land and Buildings	12,000	
Bad-Debts	500	
Purchases and Sales	66,000	1,10,000
Returns	8,000	1,500
Carriage Outward	2,500	
Carriage Inward	3,000	
Salaries	9,000	
Rent and Insurance	3,000	
Advertising	3,500	
Discount		500
General Expenses	3,400	
B/R and B/P	6,000	2,000
Rent received		300
	1,64,500	1,64,500

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2017 and Balance Sheet as at that date after taking into account the following: -

- (a) Private purchases ₹ 4,000 have been debited to Purchases Account.
- (b) Depreciate Land and Buildings at @ 12% and Motor Vehicles at 20%.
- (c) Salaries outstanding ₹ 200.
- (d) Prepaid Insurance ₹ 200.
- (e) Provision for Doubtful Debts is to be maintained at 5% on Debtors.
- (f) Stock on 31st March, 2017 was valued at ₹ 7,000.

CILOs 3

Q.No 4. a). From the following particulars, calculate the Economic Order Quantity (EOQ) and Total Inventory Cost:

Annual requirements 1,600 units Cost of materials per units Rs. 40

Cost of placing and receiving one order: Rs. 50 Annual carrying cost for inventory value 10%

b) Prepare stores ledger account from the following particulars:

Jan. 1 Opening balance: 500 units @ Rs. 4

Jan. 5 Received from vendor 200 units @ Rs. 4.25

Jan. 12 Received from vendor 150 units @ Rs. 4.10

Jan. 20 Received from vendor 300 units @ Rs. 4.50

Jan. 25 Received from vendor 400 units @ Rs. 4

Issues of material were as follows :

Jan. 4 -- 200 units;

Jan. 10 -- 400 units;

Jan. 15 – 100 units;

Jan. 19 – 100 units;

Jan. 30 – 250 units

Write out the store ledger Account in respect of the materials for the month of January.

Section B (20 Marks) CILOs 4

Super Quality Ltd. seeks your advice to decide on the most profitable product-mix with their three products : Good, Better and Best. You are supplied with the following information :

Products :	Good	Better	Best
1. Unit Cost data :			
Direct materials (Rs.)	220	140	90
Variable overhead (Rs.)	26	30	34
2. Information on direct labour :			
Dept. A (@ Rs. 8 per hour)	6 hrs.	10 hrs.	5 hrs.
Dept. B (@ Rs. 16 per hour)	6 hrs.	15 hrs.	11 hrs.
3. Annual budget data :			
Annual production (units)	4500	5000	7,000
Selling price per unit (Rs.)	524	750	475
Fixed overheads	Rs. 16,00,000		
4. Sales Department's estimate of the maximum possible sales in the coming year (units)	6,000	8,000	10,000

Given that there is a constraint on the supply of labour in Department A and its manpower cannot be increased beyond its present level.

- Suggest the most profitable production and sales mix.
- Prepare a statement of profitability on the basis of the product-mix suggested by you.