

TB222600W

Reg. No :

Name :

BMS DEGREE (C.B.C.S.) EXAMINATION, MARCH 2023

**2022 Admissions Regular & 2021 Admissions Supplementary / Improvement And 2020, 2019 And 2018 Admissions
Supplementary**

SEMESTER II - CORE COURSE (INTERNATIONAL BUSINESS)

MS2B07B18 - ACCOUNTING - II

Time : 3 Hours

Maximum Marks : 80

Part A

I. Answer any Ten questions. Each question carries 2 marks

(10x2=20)

1. Mention any two scope of management accounting.
2. Mention any two differences between management accounting and financial accounting.
3. Define cost reduction.
4. State any four items which are not included in cost accounts.
5. Define cost center.
6. Explain the following terms: Key factor Margin of safety
7. Explain composite break-even point.
8. Explain functional budget and give two examples.
9. Explain principle factor.
10. Distinguish between direct cost and indirect cost.
11. Mention different kinds of variance analysis.
12. State two examples of indirect expenses.

Part B

II. Answer any Six questions. Each question carries 5 marks

(6x5=30)

13. Distinguish between management accounting and financial accounting.
14. Enlist the various functions of management accounting.
15. Discuss the advantages of cost accounting.
16. Discuss the objective of cost accounting.
17. Enumerate the elements of cost.
18. From the following data calculate

1. P/V ratio
2. Fixed cost
3. Break-even point for sales

Period	Sales	Profit
I	220000	10000
II	140000	14000

19. Describe the steps in budget preparation.
20. Explain the types of budget.
21. Explain labour variance and material variance.

Part C

III. Answer any Two questions. Each question carries 15 marks

(2x15=30)

22. From the following prepare a cost sheet for the month of April 2017.

Stock in hand: 1/4/2017	
Raw materials	25000
Finished goods	17300
Work in progress	8200
Stock in hand: 30/4/2017	
Raw materials	26200
Finished goods	15700
Work in progress	9100
Purchase of raw materials	21800
Carriage inwards	1200
Direct wages	17200
Indirect wages	800
Direct expenses	1200
Factory OH	8300
Administration OH	3500
Selling and distribution OH	3900
sales	69700

23. From the following data calculate:

1. Contribution
2. P/V ratio
3. Break-even point expressed in amount if sales in rupees
4. Number of units that must be sold to earn a profit of Rs.1,20,000 per year
5. How many units are to be sold to earn a net income of 15% of sales?

- Sales- 800000,
- Variable cost- 150000,
- Fixed cost - 500000

24. Prepare a cash Budget for the three months ending 30th June 2015 from the following information:

Month	Sales	Materials	Wages	Overhead
February	14000	9600	3000	1700
March	15000	9000	3000	1900
April	16000	9200	3200	2000
May	17000	10000	3600	2200
June	18000	10400	4000	2300

- Credit terms:

- Sales/Debtors – 10% sales are cash, 50% of the credit sales are collected next month and the balance in the following month
- Creditors: materials 2 months, wages $\frac{1}{4}$ month, overhead $\frac{1}{2}$ month
- Cash and bank balances on 1st April 2013 is expected to be 6000
- Other relevant information:
 - i. Plant & Machinery will be installed in February 2013 at a cost of Rs.96000. the monthly instalment of Rs.2000 is payable from April onwards
 - ii. Dividend @5% on preference share capital of Rs.2,00,000 will be paid on 1st June

25. A company is expected to have Rs.37500 cash in hand on April 1, 2017. The following information is available:

Month	Sales	Purchases	Wages	Factory expenses	Office expenses	Selling expenses
Feb	75000	45000	9000	7500	6000	4500
March	84000	48000	9750	8250	6000	4500
April	90000	52000	10500	9000	6000	5250
May	120000	60000	13500	11250	6000	6570
June	135000	60000	14250	14000	7000	7000

- Period of credit allowed by suppliers- 2 months
- 20% of sales is for cash and period of credit allowed to customers for credit sales is one month.
- Delay in month of all expenses-1 month
- Income tax of Rs.57000 is due to be paid on June 15, 2017.
- The company is to pay dividend to shareholders and bonus to workers of Rs.15000 and Rs.22500 respectively in the month of April.
- Plant has been ordered and is expected to be received and paid in May. It will cost Rs.120000.