

ADVANCED MANAGEMENT ACCOUNTING

Time: 3 Hours

Max. Marks: 60

*Answer Any FIVE Questions
All Questions Carry Equal Marks
Question No. 8 is Compulsory*

1. a What is meant by management accounting? Discuss the role of management accountant in the present era. 8M
- b Discuss the concept of management information system 4M
2. a What are the different methods of depreciation? Explain any five methods 6M
- b The balance sheet of XYZ LTD as on 31st March 2019 is given below 6M

Liabilities	Amount(Rs)	Assets	Amount(Rs)
Share Capital	10,00,000	Goodwill	6,00,000
Reserves	3,00,000	Fixed Assets	12,60,000
Profit and Loss account	2,50,000	Short Term Investments	1,00,000
Secured Loans	8,00,000	Stock	3,60,000
Creditors	2,50,000	Debtors	2,40,000
Bank OD	1,50,000	Advances	50,000
Provision for taxation	50,000	Cash in hand	90,000
		Cash at Bank	1,00,00
	28,00,000		28,00,000

You are required to calculate 1) Current Ratio 2) Liquid Ratio 3) Absolute liquid Ratio

3. a What is meant by budget and budgetary control? Explain steps involved in budgetary control 6M
- b Discuss the concept of zero based budgeting (ZBB) and explain its featured merits and demerits 6M
4. a Comment on marginal costing technique which helps in decision making and controlling costs 6M

Code No: MB163D/R16

- b A paint manufacturing company manufactures 2,00,000 medium sized units of spray lac paints per annum when working at normal capacity. It incurs the following costs of manufacturing per unit 6M
- Direct Material – Rs 7.80
 Direct Labour – Rs 2.10
 Variable OH – Rs 2.50
 Fixed OH – Rs 4.00
 Production Cost Per Unit – Rs 16.40
- Each unit of the product is sold for Rs 21 with variable selling and administration expenses of 60paise per unit. You are required
- i. Whether the product should be make or buy. Comment.
5. a Define standard costing. State the advantages and disadvantages of standard costing 6M
 b What is meant by variance analysis? Explain types of variances. 6M
6. a What do you mean by analysis of financial statements. Explain different roles of financial analysis. 6M
 b Explain difference between fund flow statement and cash flow statement. 6M
7. a From the following information prepare a comparative balance sheet of Ashok LTD 8M

Particulars	31 st March 2018	31 st March 2019
Equity Share Capital	25,00,000	25,00,000
Fixed Assets	30,00,000	36,00,000
Reserves and Surplus	5,00,000	6,00,000
Investments	5,00,000	5,00,000
Long-term Loans	15,00,000	15,00,000
Current Assets	15,00,000	10,50,000
Current Liabilities	5,00,000	5,50,000

- b Explain cash budget 4M
8. The expenses for budgeted production of 10,000 Units in a factory are furnished below 12M

Particulars	Per Unit(Rs)
Materials	70
Variable OH	25
Fixed OH(Rs 1,00,000)	10
Variable Expenses(Direct)	5
Selling expenses(10% fixed)	13
Distribution expenses (20% fixed)	7
Admin expenses(Rs 50,000)	5
Total cost per unit	155

Prepare a budget for production of 8000 units and 6000 units. Assume that administrative expenses are fixed for all levels of production.
