

CONCURRENT EVALUATION
I SEMESTER – 101 MANEGERIAL ACCOUNTING**Faculty Name : Prof. P.S. Shinde****Important Instructions**

1. The subject is evaluated on the basis of three components.

Component No.	Component	Marks	Submission Date
1	Written Home Assignment	50	19 th March, 2022
2	Situation Analysis	50	20 th March, 2022
3	Exam	50	

2. Assignment to be submitted in person.
3. Student Name, Contact Number, email-id, Specialization, Component must be clearly mentioned.

Component No: 1 - Written Home Assignment**Instructions:**

1. The last date of Submission is 20th March 2022. The assignment won't be accepted after the date.
2. Assignment should be hand written and in your own words; copied assignments from peers or other open sources will not be considered for assessment.
3. The content should cover all the points & justify the marks for assessment.
4. Incomplete assignments will not be accepted.

- 1) What do you mean by business decision? Explain its importance.
- 2) What are the different forms of business organization?
- 3) What do You mean by Book-Keeping and accounting? Explain its importance, advantages and limitations of accounting.
- 4) Describe difference between Accounting Concepts and conventions.
- 5) Explain difference between Financial Accounting, Cost Accounting & Management Accounting.
- 6) Write detailed note on use & Applicability of Tally in Accounting.
- 7) What do you mean by financial Statements? Explain its objectives and Importance in detail.

- 8) Explain advantages and limitations of financial Statements.
- 9) Write short not on- Effects of Adjustment.
- 10) Briefly explain how to make financial decision on the basis of Financial Statements.

Q.2) Write Short Notes On –

- 1) Journal
- 2) Ledger
- 3) Trial Balance
- 4) Subsidiary Books.
- 5) Cost Centre
- 6) Cost Accounting
- 7) Cost Accountancy
- 8) Types of Cost Centre.
- 9) Sunk Cost
- 10) Opportunity Cost

PRACTICAL PROBLEMS :

Q:1) Pass the Journal Entries for the following transaction and also prepare Ledger & Trial Balance.

- | | |
|------------|--|
| 1.07.2016 | Anuj started business by ₹. 50000/- |
| 8.07.2016 | Bought goods ₹. 21000 from Amol on Credit. |
| 12.07.2016 | Withdraw cash ₹. 2000 for personal use. |
| 15.07.2016 | Paid, ₹. 15000 to Amol on our account. |
| 24.07.2016 | Bought goods ₹ 8000 by cash. |
| 28.07.2016 | Bought additional capital ₹ 12000 |
| 30.07.2016 | Bought goods ₹. 10000 from Amol on credit. |

Q:2) From the following transaction prepare necessary ledger accounts in the books of Mr. Patil and balance them.

2020 April.

1. Started business with cash ₹.10000 and Machinery ₹. 20000.

11. Cash Purchase ₹ 3000 @ 5% Trade Discount

11. Cash Sales ₹. 6000.

12. Paid Wages ₹. 700

15. Purchase goods on credit from Sanjay Trader ₹. 4000

25. Paid to Sanjay Trader ₹. 3000

28. Withdrew Cash for personal use ₹. 1000

31. Opened Bank A/c in State Bank of India by depositing ₹ 7000.

Q:3) Journalize the following transactions.

2015 July, 5 Purchase furniture from Munna and issued him a cheque ₹. 6000.

4. Paid cash into Bank of Baroda ₹.90000

7. Credit Purchases from Manik Traders ₹. 15000 less 4% trade discount.

8. Return goods to Manik Tader ₹.150

10. Cash Sales ₹. 4500.

11. Credit Sales to Ashok ₹. 3000 less trade discount @ 2%.

12. Ashok returned goods of ₹. 294.

14. Goods taken for personal use ₹.300

16. Paid postage ₹. 100 and electricity bill of ₹. 600

19. Sent a Telegram of ₹.30 to Manik trader to supply goods of ₹. 7500 immediately.

21. Purchases computer & Printer of ₹. 25000 from Kewal in part payment gave him cash ₹. 15000

28. Paid life insurance premium on life of Navnath of ₹. 3000

29. Paid Telephone deposit for new telephone Connection by Cheque ₹. 2000

31. Paid Travelling Expenses ₹. 3000.

1. Navnath started his business with cash ₹. 81000, Building ₹. 100000, and borrowed from Friend Shivaki ₹. 25000.

Q:4) From the following trail Balance of Gokul Ltd, you are required to prepare Trading and Profit and Loss A/c and balance Sheet as on 31.03.2016

Trial Balance

Particulars	Debit Amount	Credit Amount
Capital Account		250000
Sales		755000
Return Outwards		10000
Creditors		126000
Discount Received		500
RDD		7500
Unpaid Salary		1000
Drawings	7500	
Building	200000	
Plant & Machinery	60000	
Cash at bank	6000	
Purchases	475000	
Return Inward	15500	
Carriage Outwards	3500	
Opening Stock	110000	
Wages	60000	
Debtors	175000	
Salaries	25000	
Postage and Telegram	2000	
Insurance	4000	
Bad-denbts	2500	
Rent	1000	
Trade Expenses	3000	
TOTAL	11,50,000	11,50,000

Additional Information:

1. Closing Stock on 31.12.2016 was valued at Rs.80000
2. Prepaid Insurance Rs.1000
3. Depreciation Building by 5% and Plant & Machinery by 10% p.a.
4. Maintain Reserve for Doubtful debts 5% on Debtors
5. Allow interest on Capital @5% p.a.
6. Good worth Rs. 10000 were destroyed by fire and Insurance Company had admitted a claim for Rs.8000 only.

Q:5) From the following Trail Balance of Kanhaiya Ltd, you are required to prepare Trading and Profit & Loss a/c for the year ended 31.03.2016 and Balance Sheet as on that date after taking into consideration the additional information.

Trial Balance

Particulars	Debit Amount	Credit Amount
Sales		16500
Discount Received		240
Creditors		1000
Bank Overdraft		500
Interest on Investment		360
Capital Account		5000
Opening Stock	1750	
Salaries and Wages	460	
Cash at bank	500	
Purchases	11260	
Office Expenses	430	
Productive Wages	700	
Bills Receivables	400	
Legal Expenses	150	
Bad-Debts	50	
Works manager's Salary	300	
Commission	150	
Investment	1000	
Debtors	2000	
Patents	400	
Loose-Tools	300	
Furniture	600	
Goodwill	650	
Land & Building	2500	
TOTAL	23600	23600

Additional Information:

1. Closing Stock Costing Rs.2000 and its Market Value Rs.2250.
2. Goods Worth Rs. 60 withdrawn for personal Use
3. Uninsured goods worth Rs. 500 were destroyed by fire
4. Rs. 22.50 written off as bad-debts from debtors
5. Outstanding Salaries and Wages Rs.40
6. Depreciation Land & Building @7.5% p.a.

Q:6) From the following Trail Balance of Mrs. Sumitra as at 31st March 2016, prepare Trading & P&L A/c for the ended 31st March 2016 and Balance Sheet as on that date.

Particulars	Debit Amt	Particulars	Credit Amount
Drawings	3000	Capital	100000
Stock	44000	Sales	302000
Bills Receivables	1800	Return	2000
Purchases	190000	Discount Received	200
Returns	6000	Sundry Creditors	64200
Salaries	10000		
Carriage Outward	1400		
Wages	24000		
Insurance	1600		
Postage	800		
Sundry Debtors	70400		
Furniture	24000		
Cash In Hand	9800		
Machinery	80000		
Rents & Taxes	1200		
Printing & Stationery	400		
TOTAL	468400	TOTAL	468400

Additional Information:

1. Closing stock amounted to Rs.56000
2. Outstanding wages Rs.2000 and Salaries Rs.930
3. Goods distributed worth Rs.2000as free samples
4. Interest on Capital @ 7% p.a. was to be provided
5. Pre paid Insurance was Rs.100
6. Depreciation Machinery by 5% and Furniture by 10%
7. Create Reserve for bad and Doubtful debts @ 5% on Sundry Debtors.

Q:7) From the following trial Balance of Mr. Ramnath as at 31st March 2016, prepare Trading & Profit & Loss A/c for the year ended 31st March 2016, and Balance Sheet as on that Date.

Particulars	Debit Amt	Particulars	Credit Amt
Drawings	1500	Capital	50000
Opening Stock	6000	Sundry Creditors	15000
Purchases	40000	Sales	70000
Office Salary	3000	RDD	500
Royalty	1000	Return Outward	1200
Trade Expenses	700	Bills Payable	3000

Advertisement	2600	Reserve Fund	2000
Wages & Salaries	5200		
Cash In Hand	4000		
Sundry Debtors	25000		
Bad debts	200		
Investment in debentures	8000		
Bills receivables	2000		
Discount	800		
Motor van	15000		
Furniture	5000		
Office rent	1700		
Plant & Machinery	12000		
Freehold Property	8000		
TOTAL	141700	TOTAL	141700

Additional Information:

1. Closing stock on 31st March 2016 was valued at Rs.8800
2. Audit fees for the year was outstanding Rs.1200
3. Create Reserve for Bad & Doubtful debts @5%.
4. Goods worth Rs. 2800 purchase and received on 25th March 2016 were not recorded in the books of accounts.
5. Depreciation Freehold property by 10% and Motor Van by 25%.

Q:8) The following is the Trading and Profit Loss Account of Cipla Chemical Ltd. Sion for the year ended 31st march 2014.

Particulars	Amount Rs.	Particulars	Amount Rs.
To Opening Stock Of Raw Material	18000	By Sales 510000	
		Less – Return Inward <u>10000</u>	5,00,000
To Purchase of Raw Material 252000		By Closing Stock Raw Material	10000
Less – Return Outward <u>2000</u>	250000		
To direct wages	102000	By Sale of Scrap of Raw material	1000
To Carriage	25000		
To royalty	7200		
To Gas & Water	19000		
To Custom Charges	8000		
To Wages Payable	8000		

To Chargeable Expenses	2800		
Outstanding			
TO Heating and Lighting	11000		
To Gross Profit C/D	60000		
TOTAL	5,11,000	TOTAL	5,11,000
To Carriage	5000	By Gross Profit B/d	60000
To Preliminary Expenses	5500	By Discount Received	10000
To Underwriting Commission	4500	By Interest on Investment	12000
To Commission on Sales	7600	By commission	8000
To Sales Depot Expenses	2400		
To Discount on issue of shares	6000		
To salary	16000		
To Bad debts Provision	1000		
To Property tax on office Building	2000		
To Income Tax	5000		
To Depreciation on OFF.Furn.	2000		
To Donation	4000		
To Net Profit	29000		
TOTAL	90000	TOTAL	90000

You are Required to prepared c Cost Statement for the year ended 31st March 2014 Showing

- Cost of material consumed
- Prime Cost
- Work Cost
- Cost of Production
- Total Cost
- Profit for the year , Also calculate the percentage of profit on sales.

Q:9) Prepare a statement of cost from the following information relating to Marphy Traders Mumbai for the year ended 31st

Particulars	Amount
Cost of Direct Material	2,00,000
Sales	400000
Direct Wages	100000
Office Indirect Material	5000
Cost of special Pattern	40000
Postage & Telegram	2000
Factory Rent & Insurance	5000
Outstanding Chargeable Expenses	2000

Carriage Outward	2500
Interest on Loan	2150
Printing & Stationery	500
Factory Indirect Wages	3000
Selling on Cost	4000
Travelling Salesman's Salary	4000
Factory Indirect Material	1000
Royalties	8000
General Works Overheads	2000
Bad-debts Written Off	1000

- Also Calculate the percentage of profits earned to sales.

Q:10) From the following particulars relating to M/s Chitamani, prepare a cost sheet showing A) prime Cost B) Factory Cost C) Cost of Production D) Cost of Sales E) Profit Loss for the period for six months ended 31st march 2014.

Cost of Material Consumed	40000
Oil & Waste	100
Operating Labour	9000
Wages of foreman	1000
Direct Expenses	2000
Store keepers wages	500
Sales	100000
Commission paid to the partner Mr. Chandala	350
Electric Power	200
Salary paid to the partner Mr. Rajmal	650
Consumable stores	1000
Direct wages payable	1000
Lighting:	500
Factory Office	200
Carriage Outward	150
Rent:	
Office	1000
Factory	2000
Warehouse Charges	200
Repairs & Renewals:	
Factory Rent Machinery	500
Office Premises	1000
Warehouse	200
	100
Advertising	400

Depreciation:	
Office Premises	500
Machinery	200
Travelling Expenses	200
Office Manager's Salary	2250
Salesman's commission	500
Salaries	
Director's Fees	500
Printing & Stationery	200
Telephone Charges	50
Postage	100
Bad-debts	450

Q:11) The company furnishes you the following information for the current year divided into sub parts.

Particulars	First Half	Second Half
Sales	810000	1026000
Profit Earned	21600	64800

Assume that fixed cost remains the same for both the periods. Calculate:

1. P/V Ratio
2. Fixed Cost
3. Break Even Points and Margin of Safety
4. Amount of Profit & Loss when Sales are Rs. 648000
5. Amount of sales required to earn profit of Rs. 108000.

Q:12) The sales Turnover and total Cost during two years were as follows:

Year	Sales (RS)	Total Cost (RS)
2009	150000	130000
2010	170000	145000

You are required to Calculate

1. Profit Volume ratio
2. Break Even Point
3. Sales to earn a profit of Rs. 40000
4. Profit made when sales are Rs. 250000
5. Margin of safety for 2009 and 2010.

Q:13) Sakshi & Co. has been purchasing a separate part from an outside source \$ Rs. 33 per unit . Sakshi's Daughter Swara, after completion of her MBA has come up with proposal to improve

profitability. She has put up a proposal that the spare part be produced in the factory itself, utilizing the available free space in the factory shed. For this purpose a machine costing Rs.240000, with an annual capacity of 60000 units and a life of 10 years, will be required. A foreman with a monthly salary of Rs.1800 will have to be engaged. Material required will be Rs. 9.00 per unit and wages Rs. 6.00 per unit. Variable overheads are 150% of direct Labour. The firm can easily raise funds @9% p.a. There is a guaranteed requirement for the part, presently purchased for a period of 12 years. The expected volume is 8000 units

- Suggest the firm for purchase or making the spare parts based on daughters advice.

Q:14) Raj corporation ltd has prepared the following budget estimates for the year 2012-13

Sales Units	15000
Fixed Expenses	₹. 34000
Sales Value	₹. 150000
Variable Cost	₹. 6 Per

Unit You are required to calculate:

- Find the PV Ratio, break Even Point and Margin of Safety
- Calculate revise P/V ratio, Break Even point and Margin of Safety in each of the following Cases:
 - Decrease of 10% in selling Price
 - Increase of 10% in variable cost
 - Increase of sales volume by 2000 units
 - Increase of Rs. 6000 in fixed cost

Q:15) The sales Turnover and Total cost of Sugar Ltd, areas Under:

Year	Sales Rs.	Total Cost Rs.
2015	150000	160000
2016	180000	175000

You are required to Calculate:

- Profit Volume Ratio
- Fixed Cost
- Break Even Point
- Sales to Earn Profit of Rs. 40000
- Variable Cost for 2016

Q:16) A company is expecting to have Rs.25000 cash in hand on 1st April 2012, and it requires you to prepare an estimate of cash position in respect of three months from April to June 2012 from the following information.

Month and Year	Sales	Purchases	Wages	Expenses
February 2012	70000	40000	8000	6000
March 2012	80000	50000	8000	7000
April 2012	92000	52000	9000	7000
May 2012	100000	60000	10000	8000

June 2012	120000	50000	12000	9000
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Additional Information:

1. Period of credit allowed by suppliers -2months
2. 25% of the sale is for cash and the period of credit allowed to customers for credit sale is one month.
3. Delay in payment of wages and expenses one month.
4. Income tax Rs.25000 is to be paid in June 2012.

Q:17) Prepare flexible budget for overheads on the basis of data given below. Calculate overhead rate at 50%, 60% and 70% capacity.

Particulars	Rs.
<u>Variable</u>	
Indirect Material	6000
Indirect Labour	18000
<u>Semi-Variable Overheads</u>	
Electricity (40% Fixed & 60% Variable)	30000
Repairs (80% Fixed and 20% variable)	3000
<u>Fixed Overheads</u>	
Depreciation	16500
Insurance	4500
Salaries	15000
Total overheads	
Estimated Direct Labour Hours 186000	

Q:18) Budgeted sales of Product 'X' were 12000 units. It was desires to have closing stock equal to 25% of Budgeted Sales. The opening stock was 1000 units. Manufacturing of one unit of product 'X' require 5 kgs material of 'A' and 3 kgs material of 'B'. There budgeted prices were Rs. 20 per kg and Rs. 10 per kg. 1/10 consumption was desired closing stock of material. Opening stock were 2000 and 1500 kgs of A and B respectively. Prepare material Consumption Budget.

Q:19) A Company is at present working at 90% of its capacity and producing 13500 units per annum. It operates a flexible budgetary control system. The following figures (excluding material and labour cost) are obtained from its budget.

Particulars	90% Capacity (Rs.)	100% Capacity (Rs.)
Sales	1500000	1600000
Fixed Expenses	300500	300500
Semi-Fixed Expenses	97500	100500
Variable Expenses	142000	149500

Material and Labour cost per unit are constant under present conditions. Profit Margin is 10% at 90% capacity. You are required to determined the cost of producing an additional 1500 units.

Q:20) From the following information calculate :

- Material Cost Variance
- Material Price Variance
- Material usage variance

Product	Standard		Actual	
	Qty	Price	Qty	Price
A	10 kg	8	10Kg	7
B	8Kg	6	9Kg	7
C	4Kg	12	12kg	11

Q:21) Calculate the following :

- Material Price Variance
- Material Usage Variance
- Material Cost Variance
- Material Mix Variance
- Material Yield Variance

Material	Standard		Actual	
	QTY	PRICE	QTY	PRICE
Input				
A	1500	8	1350	8.10
B	800	4.25	950	5.10
C	200	6	400	5.35
TOTAL	2500		2700	
Less:- Normal Loss	-275		-475	
OUTPUT	2225		2225	

Q:22) It is estimated that a specific job can be completed by employing 10 trained workers for 8 hours and 12 untrained workers for 10 hours. Each to be paid at standard rate of Rs. 20 and Rs. 15 per hour respectively. Actually, 8 trained workers for 12 hours and 10 untrained workers for 8 hours each worked to complete the job @Rs.18 and Rs.20 per labour hour respectively.

- You are required to calculate all labour variance

Q:23) 10 skilled Operators working 40 hours each and paid @ Rs. 20 per hour per person and 20 unskilled operators working 40 hours each and paid @Rs. 15 per hour per person. The job was completed with the same number of persons, each of them working for 42 hours and actually paid @ Rs.21 for skilled operators per labour hour respectively.

- You are required to calculate all labour Variances and show their tally.

Q:24) A team of workers normally consists of 30 men, 15 Women and 10 Boys. They are paid at standard hour rate as per the following details.

- Men Rs. 0.80
- Women Rs. 0.60
- Boys Rs. 0.40

In a normal working week of 40 hours the team is expected to produce 2000 units of output. During the week ended 31st July 2016, the team consists of 40 Men, 10 Women and 5 Boys. The Actual wages paid were @ Rs.0.70, Rs.0.65 and Rs.0.30 respectively. 4 Hours were lost due to abnormal idle time and 1600 units were produced. Calculate all labour Variances.

Q:25) Barua Chemicals Ltd, Badlapur produces certain chemicals, the standard material cost of the same is as follows:

Material Alpha : 40% @ Rs.20 per tonne

Material Beta : 60% @ Rs.30 per tonne

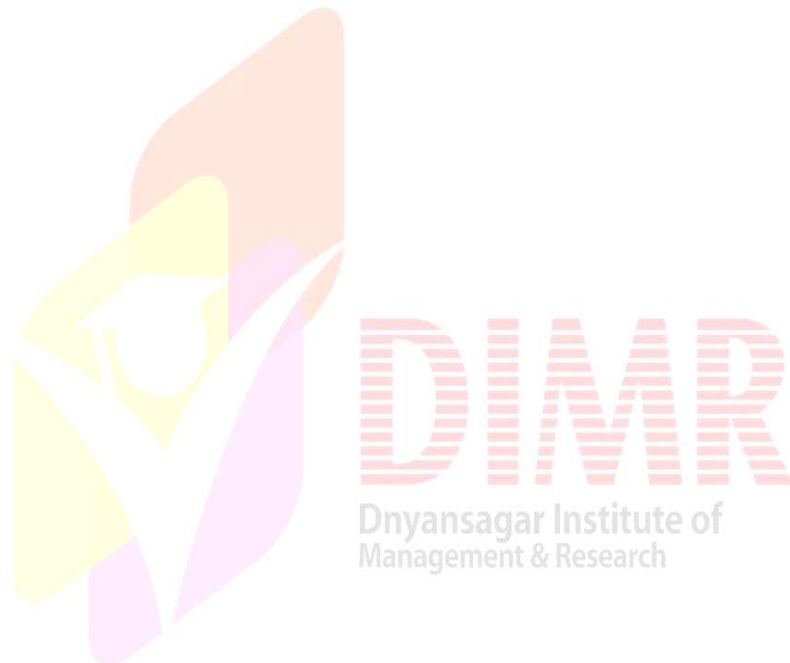
A standard production loss of 10% is normally expected in the manufacturing processes .

During February 2015 the result of chemical production are as follows:

Material	Alpha @ ₹. 18 Per tonne	90
:		
Material Beta :	@ ₹. 34 per Tonne	+ <u>110</u>
Therefore, Input		200
Less: Production Loss		- <u>90</u>
OUTPUT		171

You are required to calculate :

1. Material Price Variance
2. Material Yield Variance



Component No: 2- Situation Analysis

Business Organisation :

MEANING:

Business Organisation is a structure created by organizing resources appropriately to earn profit and to attain other pre-planned goals. Forms of Business organization is a specific structure on the size and ownership, created by organizing resources appropriately, to earn profit and to attain other pre-planned goals.

Situation: I

Look at the list below of forms of Business Organizations. Assume that you are going to start new startup. So out of these which type of business organization would you like to select for yourself.

1. Sole proprietorship
2. Partnership
3. Joint stock Companies.

Step :2 : - After selecting any form of Business organization, write the reason, why you have selected specific form of business organization.

Step 3-

- A) Assume You have selected Sole proprietorship as form of business– What you will do For Registration? What documents are needed to register as sole proprietorship firm?
 - B) Assume You have selected Partnership as form of business– What is the procedure of registration and what documents are needed to register as Partnership.
 - C) Assume You have selected Joint Stock Companies as form of business– What is the procedure of registration and what documents are needed to Joint Stock Companies.
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Situation : 2

Situation : -Assume that you are going to run A Manufacturing Unit for the product an Ice-Cream.

- Step -I) Prepare the list of items of raw material that you are required to make an Ice-cream.
- Step- II) After making the list, to get the required raw material what you are going to do?
- Step III) After finalizing of your decision regarding getting the raw material, write the purchase procedure of Required Material in your own words.
-

Situation : 3

Situation : Here Financial Statements is given below of an Auto Mobile company.

- Step -I : Read Profit and Loss and Balance-Sheet carefully
- Step-II: Explain -What do you understand from profit and Loss and Balance Sheet.
- Step-III: Write – Comparison of fixed Assets and Companies liabilities separately (What change happened in the Fixed Assets and Companies Liabilities)
- Step-IV: What do you think that why change is happened in the Fixed Assets and Liabilities.
- Step-V: Analyze profit and Loss statement and write your understanding in point of view:--
- a) If expenses is less than the previous year i.e in the year 2020, but income is not increased- Write reason in your own words.
 - b) Assume that you are the founder and Owner of the “BAJAJ Co.”
- Calculate current Ratio for the both year and compare, analyse and interpret in your own words.

After analysing and interpretation, if needed suggest appropriate action to the company

Guideline for Current Ratio:- Ideal Current Ratio 2:1, meaning current assets twice as large as current liabilities. A current ratio less than one indicates the company might have problems meeting short-term financial obligations.

Formula Of Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

TO GET THE BALANCE SHEET CLICK BELOW:

<https://jstinvestments.com/bajaj-consumer-2020-annual-report-takeaways/>

Tax Compliance Survey (Details will be share soon)

Component No: 3- EXAM

Exam For all Units