(8 pages)

**APRIL 2026** **72264/150C2B**

Time : Three hours Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer any TEN questions in about 30 words each.

1. Define concept of cost control with its features.

2. Give the meaning of fixed cost and variable cost.

3. Differentiate cost accounting and management accounting.

4. Write a short note on trend analysis with an example.

5. State any two limitations of Financial Analysis.

6. What are the Ratios which assess the company's Debt Capacity?

7. If purchases are Rs. 72,000, opening trade payables are Rs. 12,000 and closing trade payables are Rs. 9,000, calculate cash payments to suppliers.

8. Write a short note on Debtors Turnover Ratio.

9. What do you mean by Master Budget?

10. Write short note on Equivalent Production Units.

11. What are the main steps in budgetary control?

12. Determine the amount of variable cost from the following particulars; Sales Rs.1,50,000; Fixed Cost Rs.30,000; Profit Rs.40,000.

SECTION B — (5 × 5 = 25 marks)

Answer any FIVE questions in about 200 words each.

13. Define costing and discuss briefly its objectives and advantages.

14. The following data relate to the manufacture of product during the month of May. Prepare a cost sheet and show (a) Cost per unit and (b) Profit for the period.

Raw materials consumed = Rs. 80,000.

Direct wages = Rs. 48,000.

Machine hour Worked = 8,000

Machine hour rate = Rs. 4

Office overheads = 10% of work cost.

Selling overheads = Rs. 1.50 per unit sold.

Units produced = 4000

Units sold 3600 at Rs. 50 each.

15. From the following information, prepare Common size statement of profit and loss for the year ending 31st March 2023 and 31st March 2024.

| Particulars | 31.3.2023 (Rs.) | 31.3.2024 (Rs.) |
|---|---|---|
| Revenue from operations | 10,00,000 | 15,00,000 |
| Other income | 2,00,000 | 1,80,000 |
| Cost of Materials consumed | 5,00,000 | 9,00,000 |
| Employee benefits expense | 40,000 | 50,000 |
| Finance cost | 30,000 | 40,000 |
| Other expenses | 40,000 | 80,000 |
| Tax Rate | 30% | 30% |

16. Explain the various sources and applications of cash.

17. A company sells two products A and B which are produced in its special products division. Sales for the year 2023 were planned as follows.

| | 1st Quarter (units) | 2nd Quarter (units) | 3rd Quarter (units) | 4th Quarter (units) |
|---|---|---|---|---|
| Product-A | 10,000 | 12,000 | 13,000 | 15,000 |
| Product-B | 5,000 | 4,500 | 4,000 | 3,800 |

The selling prices were Rs. 20 per unit and Rs. 50 per unit respectively for A and B. Average sales returns are 5% of sales and the discount and bad debts amount to 4% of the total sales. Prepare sales budget for the year 2023.

18. Draw up a flexible budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity.

| Particulars | Per unit Rs. |
|---|---|
| Materials | 100 |
| Labour | 50 |
| Variable expenses (direct) | 10 |
| Administrative expenses (50% fixed) | 40,000 |
| Selling and distribution expenses (60% fixed) | 50,000 |
| Present production (50% activity) | 1,000 units |

19. Explain the concept of marginal costing. What are the characteristics and assumptions of marginal costing?

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions in about 500 words each.

20. Explain the nature and scope of management accounting. In that way do management accounting differ from those of financial accounting?

21. The following is the Balance sheet of Sun Star Co., Ltd., as on 31.3.2023 and 31.3.2024. Prepare Comparative Balance Sheet.

| Particulars | March 31st 2023 (Rs.) | March 31st 2024 (Rs.) |
|---|---|---|
| **I. Equity and Liabilities :** | | |
| Equity share capital | 5,50,000 | 10,50,000 |
| Reserves and surplus | 2,00,000 | 2,50,000 |
| **Non-Current liabilities** | | |
| Long term loans | 1,00,000 | 2,50,000 |
| **Current Liabilities** | | |
| Trade payables | 1,50,000 | 3,00,000 |
| Total | 10,00,000 | 18,50,000 |

| Particulars | March 31st 2023 (Rs.) | March 31st 2024 (Rs.) |
|---|---|---|
| II. Assets | | |
| **Non-Current Assets** | | |
| Fixed assets : | | |
| Tangible assets | 5,00,000 | 10,00,000 |
| Long-term investments | 2,00,000 | 2,50,000 |
| **Current assets** | | |
| Inventories | 2,25,000 | 3,25,000 |
| Trade receivables | 75,000 | 2,75,000 |
| Total | 10,00,000 | 18,50,000 |

22. Describe the various 'Profitability and Liquidity' ratios. Explain the significance of each of these ratios and discuss how these ratios are interpreted.

23. From the following data forecast the cash position at the end of April, May and June 2023.

| March 2018 | Sales Rs. | Purchases Rs. | Wages Rs. | Sales Expenses Rs. |
|---|---|---|---|---|
| February | 1,20,000 | 80,000 | 10,000 | 7,000 |
| March | 1,30,000 | 98,000 | 12,000 | 9,000 |
| April | 70,000 | 1,00,000 | 8,000 | 5,000 |
| May | 1,16,000 | 1,03,000 | 10,000 | 10,000 |
| June | 85,000 | 80,000 | 8,000 | 6,000 |

Further Information :

(a) Sales at 10% realized in the month of sales. Balance equally realized in two subsequent months.

(b) Purchases : Creditors are paid in the month following the month of supply.

(c) Wages : 20% paid in arrears in the following month.

(d) Sunday expenses paid in the month itself.

(e) Income tax Rs. 20,000 payable in June.

(f) Dividend Rs. 12,000 payable in June.

(g) Income from investments Rs. 2,000 received half-yearly in March and September. Cash balance on hand as on 1.4.2023 Rs. 40,000

24. The sales turnover and profit during two years were as follows :

| Year | Sales Rs. | Profit Rs. |
|---|---|---|
| 2022 | 1,40,000 | 15,000 |
| 2023 | 1,60,000 | 20,000 |

Calculate :

(a) P/V Ratio.

(b) Break-even point.

(c) Sales required to earn a profit of Rs. 40,000

(d) Fixed expenses and

(e) Profit when sales are Rs. 1,20,000.

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