P.G.D.F.M. (Part-II)

Aug 2019

Mangement Accounting

Con. 360-19. **XL-7563**

(3 Hours) **[Total Marks : 100**

N.B. (1) Question No. **1** is **compulsory**.
(2) Attempt any **four** questions from questions Q.2 to Q.9.
(3) **All** questions carry **20** marks **each**.
(4) Working notes form **part** of your answer, suitable assumptions can be made if needed.

Q.1. ABC Limited manufactures domestic mixers for the year ending 31st March, 2017 expenses incurred are as follows for production of 1,200 units and 1000 units sold.

	Rs.
Raw Materials consumed	2,40,000
Direct Wages	80,000
Factory overheads	60,000
Administrative overheads	50,000
Selling overheads (which are 5% of sales value)	45,000
Distribution overheads	30,000

For the year 2017-2018 following changes are expected :
(a) Production and Sales for the year 2017-2018 is expected to be 1,500 units.
(b) Raw material prices are expected to rise by 15% but per unit consumption is expected to remain the same as last year.
(c) Direct Wages may rise by 15% but productivity of labour expected to remain the same as last year.
(d) Of the factory overheads Rs. 36,000/- are fixed costs and are expected to remain at the same level, but variable component thereof is likely to be same per unit in 2017-2018.
(e) Administrative overheads may rise by 20%.
(f) Selling overheads as a percentage of sale value may retain at the same level as that for the year 2016-2017.
(g) Distribution overheads per unit may remain the same.
(h) The selling price should be such that company should to make a profit of 20% on sale value.

You are required to prepare cost sheet for 2016-2017 and 2017-2018.

Q.2 Company ABC Ltd produces 7,000 units. The company's expenses to 1 unit of the product is listed below is for 70% utilization of installed capacity.

Particulars	**Amount**
Direct material	Rs. 7
Direct labour	Rs. 6
Other variable expenses	Rs. 5
Administrative overhead	Rs. 6 (50% variable)
Selling overhead	Rs. 3 (70% variable)
Production overhead	Rs.4 (30% variable)
Selling price	Rs. 120

Prepare flexible budget for 70% , 80% and 100% utilization of the capacity. Show bifurcation of fixed and variable portion under overheads.

[TURN OVER

Q.3 Nikhil Pvt. Ltd. Whishes to arrange for overhead facilities with its bankers during the period August to October of year 2018 when it will be manufacturing mainly for stock. Prepare a cash budget for the above period from the following data, indicating the extent of bank facilities the company will required at the end of each month.

Month	Sals Rs.	Purchases Rs.	Salaries Rs.
June	2,50,000	1,40,000	30,000
July	2,60,000	1,50,000	40,000
August	2,70,000	1,60,000	45,000
September	2,80,000	1,65,000	50,000
October	3,00,000	1,70,000	55,000
November	3,50,000	1,80,000	60,000

(a) 20% of total sales are cash sales, 60% of the credit sales are realized in one month following the sales and the Remaining in second month following of the sales.
(b) Creditors are paid two months in advance of purchase.
(c) Time lag of payment of Salaries is a half a month
(d) Cash in the bank on 1st August is estimated at Rs. 50,000.

Q.4 Following are the particular in respect of a product where two types of material A and B are used :

Material input	Standard		Actual	
	Tones	Rate Rs	Tones	Rate Rs
A	120	10.0	140	9.50
B	80	7.50	60	9.00
	200		200	
Less	20		18	
Net production	180		182	

You are required to calculate :
(a) Material Cost variance
(b) Material Usage variance
(c) Material Price variance
(d) Material Mix variance
(e) Material Yield variance.

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Q.5 Pratryusha Ltd. has the following data for the coming year :

Particular	Rs.
Sales (10,000 units)	4,00,000
Variable costs	1,60,000
Fixed costs	2,00,000

(a) Find out P/V ratio, Break Even Point & Margin of safety.

(b) Evaluate the effect of :

(i) 20% increase in physical sales volume

(ii) 20% decrease in physical sales volume

(iii) 5% increase in variable costs

(iv) 10% decrease in fixed costs

(v) Increase in fixed cost by Rs. 20,000

Q.6 Indian Plastics make plastic buckets. An analysis of their accounting reveals :

Variable cost per bucket	Rs.20
Fixed Cost	Rs. 42,000 for the year
Capacity	2,000 buckets per year
Selling price per bucket	Rs. 70
Units produced and sold	1400 units

Required :

(a) Find the break-even point

(b) Margin of safety at current level

(c) Find the number of buckets to be sold to get a profit of Rs. 30,000

(d) If the company can manufacture 600 buckets more per year with an additional fixed cost of Rs. 8,000. What should be the selling price to maintain the profit per bucket as at above ?

Q.7. List out features, advantages and disadvantages of Standard costing.

Q.8 Explain relationship between cost accounting financial accounting and management accounting.

Q.9 Write short notes on any **two** :–

(a) Distinguish between Forecasting and Budgeting

(b) Explain fixed budget and flexible budgets

(c) Margin of safety

(d) Explain importance of marginal costing.

P.G.D.F.M. (Part-II)

Taxation - II

Aug 2019

Con. 361-19. **XL-7630**

(3 Hours) [Total Marks : 100

N.B. : (1) All questions are **compulsory**.

(2) Question No. 1 carries 20 marks and rest of the questions carry 16 marks **each**.

(3) Give working notes and assumptions, wherever **necessary**.

1. Define and explain (any **four**)
   - (a) Classification of goods under the excise laws
   - (b) Excisable Goods under the excise laws
   - (c) Countervailing Duty under the customs laws
   - (d) "Sale Price" under MVAT
   - (e) Declared Goods under the CST Act.

2. Briefly explain the provisions of the Central Excise Law in respect of (any **two**) :
   - (a) Assessable Value
   - (b) Credit for duty paid on inputs
   - (c) Tariff Value
   - (d) Job Work

OR

2. ABC Ltd. manufactures a product its factory in Mumbai. The Company's catalogue gives the following maximum retail prices (MRP)
   - (a) Rs 50 for Mumbai and Thane
   - (b) Rs 60 for rest of Maharashtra
   - (c) Rs 70 for places outside Maharashtra

   Determine (a) assessable value and (b) excise duty payable if number of units removed from factory is 100,000. rate of excise duty is 12% plus education cess as applicable and Abatement is @ 40%.

[TURN OVER

3. When A will be liable for Registration under MVAT if his sales and purchase are as follows :

Month	Taxable Sales	Import of taxable goods	Local purchase of taxable goods
January 2016	2,00,000	25,000	1,50,000
February 2016	1,00,000	10,000	80,000
March 2016	1,00,000	30,000	2,00,000
April 2016	6,00,000	40,000	4,00,000

OR

3. Ashok gives you the following information for the financial year 2015-16 :
   (a) Interstate sales Rs. 50,00,000
   (b) Freight–Rs. 2,50,000, out of which Rs. 1,50,000 is included in the sales turnover but Rs. 1,00,000 is not shown separately on invoices.
   (c) Turnover includes goods sold to Ramesh on 01 May 2015 for Rs. 5,00,000. These goods were returned on 29 October, 2015.
   (d) Turnover also includes goods sold to Rakesh for Rs. 3,00,000 on 15 April, 2015 who rejected the goods and returned the same back on 31 January, 2016.
   (e) All declarations in form C were duly received.

   Determine (a) taxable turnover and (b) CST payable,

4. Explain the following terms as per the customs law.
   (a) Baggage
   (b) Anti-dumping Duty
   (c) Importation
   (d) Goods

OR

4. A CIF value consignments was US $ 1,00,000 for 5000 kgs of a commodity imported into India from a country convered by a notification issued by the Central Government under section 9A of the Customs Tariff Act, 1975. Applicable Exchange rate is Rs. 60 for US$1. The applicable basic customs duty is 10%, Education, Secondary, and Higher education cess as applicable as per the Finance Act.

As per the notification, the anti-dumping duty will be equal to the difference between the cost of commodity calculated @ US$70 per kg and the landed value of the commodity as imported.

Compute liability for (a) normal custom duty and (b) customs duties because of normal duties, cess and the anti-dumping duty.

5. Explain the following terms as per the CENVAT Rules.
   (a) Eligibility for CENVAT
   (b) Duty on capital goods
   (c) Utilization of CENVAT
   (d) Duty on goods sent for job work.

OR

5. An assessee manufactures a machine in Mumbai and contracts to supply the machine in Bengaluru for Rs. 5,00,000 inclusive of transport charges upto the place of customer located in Bengaluru. Transportation charges amount to Rs. 60,000 for transportation of machine upto Bengaluru. If the buyer wants to take the delivery at Mumbai, the selling price is Rs. 4,10,000.

   Determine the assessable value and excise duty payable (rate@12%) plus applicable cess.

6. Briefly Explain (any **three**) :—
   (a) Tourist
   (b) Appropriate state
   (c) Liability to tax on interstate sales
   (d) Composition under MVAT.

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P.G.D.F.M. (PART-II)
Aug - 2019.
sub - M.I.S.

Aug 2019

Con. 362-19. **XL-7694**

(3 Hours) [Total Marks : 100

N.B. :(1) Attempt any **five** questions.
(2) **All** questions carry **equal** marks.

1. Enlist and explain any 10 different components of MIS. **20**

2. What is Software ? Explain different types of software. **20**

3. What are the different levels of MIS ? Explain briefly. **20**

4. Describe the importance of Database Administration and its important components. **20**

5. Explain the informational requirements of various functions of management in detail. **20**

6. Discuss how the risks associated with information and related technology can be overcome. **20**

7. What is management control system ? Explain its advantages. **20**

8. Explain the organizational constraints in relation to a Management Control System. **20**

P.G.D.F.M - (Part - II)

Aug 2019

Con. 359-19. Sub :- Fin. Mgmt. - II **XL-7458**

(3 Hours) [Total Marks : 100

N.B. : (1) Answer ANY THREE questions from SECTION I and ANY TWO questions from SECTION II. Thus attempt, any FIVE questions in all.

(2) **All** questions carry **equal** Marks.

(3) **Both** the sections are to be answered in SAME answer book.

SECTION I

1. The management of Royal Industries has called for a statement showing the working capital to finance a level of activity of 1,80,000 units of output for the year. The cost structure for the company's product for the above mentioned activity level is detailed below :

	Cost per unit
Raw Materials	Rs.20
Direct Labour	5
Overheads (include depreciation of Rs. 5 per unit)	15
	40
Profit	10
Selling Price	50

Additional Information :

(a) Minimum desire cash balance is Rs. 20,000

(b) Raw Materials are held in stock, on an average, for two months.

(c) Work in progress (assume 50% compelition stage) will approximate to half - a month's production.

(d) Finished goods remain in warehouse, on an average for a month.

(e) Suppliers of materials extend a month's credit and debtors are provided two month's credit; cash sales are 25% of total sale.

(f) There is time lag in payment of wages of a month; and half - a month in the case of overheads.

From the above facts, you are required to prepare a statement showing working capital requirements.

[TURN OVER

2. The selected financial data for A, B, and C companies for the current year ended March 31 are as follows:

Particulars	**A**	**B**	**C**
Variable expenses as a Percentage of sales	66.67	75	50
Interest Expenses	Rs. 200	Rs. 300	Rs. 1,000
Degree of operating Leverage	5	6	2
Degree of Financial Leverage	3	4	2
Income-tax Rate	0.35	0.35	0.35

(a) Prepare Income statement for A,B, and C companies.

(b) Comment on the financial position and structure of these companies.

3. The Aaroha Company has the following capital structure:

	Rs.
Common shares (4,00,000 shares)	80,00,000
6% Preference Shares	20,00,000
8% Debenture	60,00,000
	1,60,00,000

The share of the company sells for Rs. 20. It is expected that company will pay next year a dividend of Rs. 2 per share which will grow at 7 percent for ever. Assume a 35 percent tax rate.

(a) Compute a weighted average cost of capital based on existing capital structure.

(b) Compute the new weighted average cost of capital if the company raises an additional Rs. 40,00,000 debt by issuing 10% debentures. This would result in increasing the expected dividend to Rs. 3 and leave growth rate unchanged, but the price of share will fall to Rs. 15

(c) Compute the cost of capital if in (b)Above growth rate increases to 12%.

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4. Goodshape company has currently, an ordinary share capital of Rs. 25 lakhs, consisting of 25,000 shares of Rs. 100 each. The management is planning to raise another Rs. 20 Lakhs to finance major programme of expansion through one of four possible financing plans.

The plans are:

(i) Entirely through ordinary shares.

(ii) Rs. 10 lakhs through ordinary shares and Rs. 10 lakhs through long - term borrowing at 8% interest per annum.

(iii) Rs. 5 lakhs through ordinary shares and Rs. 15 lakhs through long - term borrowing at 9% interest per annum.

(iv) Rs. 10 lakhs through ordinary shares and Rs. 10 Lakhs through preference shares with 5% dividend.

The company's expected earings before interest and taxes (EBIT) will be Rs. 8 Lakhs. Assuming a corporate tax rate of 50% determine the earnings per shares (EPS) in each alternative.

5. Your Company is considering investing in a project for which the investment data are as follows:

Capital Outlay: Rs. 2,00,000. Depreciation charges: 20% p.a.

Forecasted annual income after charging depreciation and after all other charges, except Tax.

	Rs.
First Year	1,40,000
Second Year	1,40,000
Third Year	1,20,000
Forth Year	1,20,000
Fifth Year	80,000
Total	6,00,000

In connection with the foregoing, you are asked to employ methods of measuring the return on the capital employed with a view to ascertain the value to the company of the proposed investment.

On the basis of the figures given above, set out calculations illustrating and comparing the methods for evaluating

Discounted cash flow at 9% discount factor.

Taxation may be assumed at 35%.

Calculate N.P.V., P.I., I.R.R. and Pay back method

[TURN OVER

SECTION II

6. Discuss objectives of financial management.
7. What is meant by International Financial Management? How is it different from domestic finance ?
8. Critically examine the various sources of Short term finance.
9. Bring out the various remedies of Industrial Sickness.

P.G.O.F.M-II

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