[This question paper contains 4 printed pages.]

Your Roll No...............

Sr. No. of Question Paper : 3450 **J**

Unique Paper Code : 6133380017

Name of the Paper : Accounting for Managerial Decision Making (DSE)

Name of the Course : **B.A. (VS) Modern Office Management**

Semester : VI (NEP)

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** questions.
3. **All** questions carry equal marks.

1. From the books of account of M/s AKS Enterprise, the following details have been extracted for the year ending 31 March 2024 :

Particulars	₹
Stock of materials-Opening	1,88,000
Closing	2,00,000
Material purchased during the year	8,32,000
Direct wages paid	2,38,000
Indirect wages	16,000
Salaries to administrative staff	40,000
Freight – Inwards	32,000
Outwards	20,000
Sales	15,79,800
Cash discount allowed	14,000
Bad debt written off	18,800

Repair of plant and machinery	42,400
Rent, rates and taxes – Factory	12,000
Office	6,400
Travelling expenses	12,400
Salesmen's salaries and commissions	33,600
Depreciation written off- Plant and Machinery	28,900
Depreciation written off- Furniture	2,400
Director's fees	24,000
Electricity charges (factory)	48,000
Fuel (for boiler)	64,000
Sale of scrap	500
General charges	24,800
Manager's salary	48,000

The manager's time is shared between the factory and the office in the ratio of 20:80. From the above details, you are required to prepare a cost sheet to show:

(a) Prime Cost; (b) Factory Cost; (c) Cost of Production; (d) Total Cost; (e) Profit.

2. Define relevant costs. Distinguish between relevant and irrelevant costs with suitable examples. Why is understanding relevant cost essential for short-term decision making?

3. BKS Ltd. provides the following information :

Selling Price Per Unit	Rs. 24
Variable Cost Per Unit	Rs. 18
Fixed Cost	Rs. 1,20,000
Sales	Rs. 5,60,000

You are required to compute the following :

(i) P/V Ratio

(ii) Break-even Point in units and rupees

(iii) Number of units to be sold to earn a net profit of Rs. 48,000.

(iv) Margin of Safety

(v) New BEP (units) if the selling price is reduced by 20%.

4. Discuss the role of contribution and limiting factor analysis in determining the most profitable product mix. How do these techniques help in short-term decision making under constraints?

5. From the following information, calculate Debt Equity Ratio, Total Assets to Debt Ratio, Proprietary Ratio, and Debt to Capital Employed Ratio:

Balance Sheet as at March 31, 2024		
Particulars	Note No.	₹
I. Equity and Liabilities:		
1. Shareholders' funds		
a) Share capital		4,00,000
b) Reserves and surplus		1,00,000
2. Non-current Liabilities		
Long-term borrowings		1,50,000
3. Current Liabilities		50,000
Total		**7,00,000**
II. Assets		
1. Non-current Assets		
a) Fixed assets		4,00,000
b) Non-current investments		1,00,000
2. Current Assets		2,00,000
Total		**7,00,000**

P.T.O.

6. Sigma Ltd. wishes to arrange overdraft facilities with its bankers from August to October 2024, when it will manufacture mostly for stock. Prepare a cash budget for the above period from the following data given below:

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Office Expenses (Rs.)	Selling Expenses (Rs.)
June	90,000	63,000	6,000	2,000	2,000
July	96,000	72,000	7,000	1,200	4,000
August	54,000	1,21,000	5,500	1,000	2,000
September	87,000	1,23,000	6,000	1,400	3,000
October	63,000	1,34,000	7,500	1,500	4,500
November	70,000	1,40,000	8,500	1,800	2,500
December	80,000	1,50,000	9,000	1,200	4,000

Additional Information :

(i) Cash in hand on 1-08-2024 Rs. 30,000.

(ii) All the sales are made on credit basis and 50% of credit sales are realized in the month following the month of sales and remaining 50% in the second month following.

(iii) Purchases are also made on credit basis and creditors are paid in the month following the month of purchase.

(iv) Lag in payment of wages one month.

Lag in payment of office expenses and selling expenses are two months.

7. Distinguish between the different branches of accounting. Discuss how each branch serves specific managerial and business needs.

8. Write short notes on any **three** of the following :

(i) Fixed and Flexible budgeting

(ii) Break-even Analysis

(iii) Margin of safety

(iv) Cash flow analysis