

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -1 EXAMINATION- 2025

BBA-III Semester

COURSE CODE (CREDITS):23BB1HS313

MAX. MARKS:15

COURSE NAME: Management Accounting

COURSE INSTRUCTORS: TGM

MAX. TIME: 1 Hour

Note: (a) All questions are compulsory.

(b) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems

Q.No	Question	CO	Marks																																																
Q1	What are the objectives of Management accounting? Elucidate the contribution of financial accounting in each of these objectives.	1	2+3=5																																																
Q2	<p>The following data has been extracted from the books of Heartland Industries Ltd. for the year 2021.</p> <table><tr><td>Opening stock of raw material</td><td>25000</td><td>Indirect consumption of material</td><td>500</td></tr><tr><td>Purchase of raw material</td><td>85000</td><td>Salary (office)</td><td>2500</td></tr><tr><td>Closing stock of raw material</td><td>40000</td><td>Salary (Salesman)</td><td>2000</td></tr><tr><td>Carriage Inward</td><td>5000</td><td>Other factory expenses</td><td>5700</td></tr><tr><td>Direct wages</td><td>90000</td><td>Other office expenses</td><td>900</td></tr><tr><td>Indirect wages</td><td>10000</td><td>Manager's remuneration</td><td>12000</td></tr><tr><td>Rent and rates (Factory)</td><td>5000</td><td>Bad debts written off</td><td>1000</td></tr><tr><td>Rent and rates (office)</td><td>500</td><td>Advertisement expenses</td><td>2000</td></tr><tr><td>Depreciation (Plant & Machinery)</td><td>1500</td><td>Travelling expenses of salesmen</td><td>1100</td></tr><tr><td>Depreciation (Office furniture)</td><td>100</td><td>Carriage and freight outward</td><td>1000</td></tr><tr><td>Cash discount</td><td>5000</td><td>Sales</td><td>250000</td></tr><tr><td></td><td></td><td>Advance income tax paid</td><td>15000</td></tr></table> <p>The manager has the overall charge of the company and his salary is to be allocated as R4000 to the factory, Rs 2000 to the office and Rs6000 to selling operations.</p> <p>Calculate the prime cost, factory cost, cost of production, cost of sales and net profit.</p>	Opening stock of raw material	25000	Indirect consumption of material	500	Purchase of raw material	85000	Salary (office)	2500	Closing stock of raw material	40000	Salary (Salesman)	2000	Carriage Inward	5000	Other factory expenses	5700	Direct wages	90000	Other office expenses	900	Indirect wages	10000	Manager's remuneration	12000	Rent and rates (Factory)	5000	Bad debts written off	1000	Rent and rates (office)	500	Advertisement expenses	2000	Depreciation (Plant & Machinery)	1500	Travelling expenses of salesmen	1100	Depreciation (Office furniture)	100	Carriage and freight outward	1000	Cash discount	5000	Sales	250000			Advance income tax paid	15000	2	5
Opening stock of raw material	25000	Indirect consumption of material	500																																																
Purchase of raw material	85000	Salary (office)	2500																																																
Closing stock of raw material	40000	Salary (Salesman)	2000																																																
Carriage Inward	5000	Other factory expenses	5700																																																
Direct wages	90000	Other office expenses	900																																																
Indirect wages	10000	Manager's remuneration	12000																																																
Rent and rates (Factory)	5000	Bad debts written off	1000																																																
Rent and rates (office)	500	Advertisement expenses	2000																																																
Depreciation (Plant & Machinery)	1500	Travelling expenses of salesmen	1100																																																
Depreciation (Office furniture)	100	Carriage and freight outward	1000																																																
Cash discount	5000	Sales	250000																																																
		Advance income tax paid	15000																																																
Q3.	<p>Segregate the following cost into their fixed and variable components by using the graphical and high and low methods.</p> <table><tr><td>Output</td><td>1,20,000</td><td>1,00,000</td></tr><tr><td>Expense</td><td>18000</td><td>16000</td></tr></table>	Output	1,20,000	1,00,000	Expense	18000	16000	2	5																																										
Output	1,20,000	1,00,000																																																	
Expense	18000	16000																																																	