**ASSIGNMENT**

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| **SESSION** | **May 2022** |
| **PROGRAM** | **Master of COMMERCE (M.com)** |
| **SEMESTER** | **II** |
| **course CODE & NAME** | **DCM 6202 MANAGEMENET ACCOUNTING** |
| **CREDITS**  | **4** |
| **nUMBER OF ASSIGNMENTS & Marks** | **02****30 Marks each** |

**Note:** Answer all questions. Kindly note that answers for 10 marks questions should be approximately of 400 - 450 words.

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| **Q.No** | **Assignment Set – 1****Questions** | **Marks** | **Total Marks** |
|  | “Management Accounting collect, analyses and presents the accounting information in such a way as to assist the management in the creation of policy and in day-to day operations of an undertaking”. Elucidate. | **10** | **10** |
|  | “It is now fairly widely accepted that conventional cost of accounting distorts management’s view of business through unpresentable overhead allocation and inappropriate product costing”. In the light of this statement compare traditional costing with activity-based costing. | **10** | **10** |
|  | Company A and Company B budgeted profit and loss accounts for the year ending 2021 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Company A** | **Company B** |
| Sales |  | 300000 |  | 300000 |
| Less: Variable Cost | 240000 |  | 200000 |  |
| Fixed cost | 30000 | 270000 | 70000 | 270000 |
| Profit |  | **30000** |  | **30000** |

You are required to:1. Calculate the break-even points for each company
2. Calculate sales volume at which each of the two companies will make a profit of Rs.10,000
3. ***Give reasons*** and state which company is likely to earn greater profits in conditions of:
4. Heavy demand for the product
5. Low demand for the product
 | **3+3+4** | **10** |

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| **Q. No.** | **Assignment Set – 2****Questions** | **Marks** | **Total Marks** |
|  | Write short note on:1. Responsibility Accounting
2. Zero based budgeting.
 | **5+5** | **10** |
|  | How does a cash flow statement differ from a funds flow statement? Exhibit format of cash flow statement. | **5+5** | **10** |
|  | The comparative statements of Income and Financial position are given below:

|  |  |  |
| --- | --- | --- |
|  | **2020 (Rs.)** | **2021(Rs.)** |
| Net Sales | 100000 | 150000 |
| Less: Cost of Sales | 70000 | 110000 |
| Gross Profit | 30000 | 40000 |
| Less: Operating expenses | 20000 | 25000 |
| Net Profit | **10000** | **15000** |

|  |  |  |
| --- | --- | --- |
| **Assets** |  |  |
| Cash in hand | 5000 | 8000 |
| Cash at Bank | 4000 | 2000 |
| Debtors | 40000 | 25000 |
| Stock at cost | 15000 | 10000 |
| Fixed Assets (Net) | 56000 | 65000 |
|  | **120000** | **110000** |
| **Liabilities** |  |  |
| Creditors | 36000 | 12000 |
| Bills Payable | 2000 | 1000 |
| Mortgage Loan | 10000 | 20000 |
| Equity & Share Capital | 60000 | 70000 |
| Reserves & Surplus | 12000 | 7000 |
|  | **120000** | **110000** |

You are required to calculate the following ***ratios for both the years***:1. Current ratio
2. Acid test ratio
3. Debtors Turnover ratio
4. Average collection period
5. Stock turnover ratio.

(Assume 360 days in a year) | **2+2+2+2+2** | **10** |